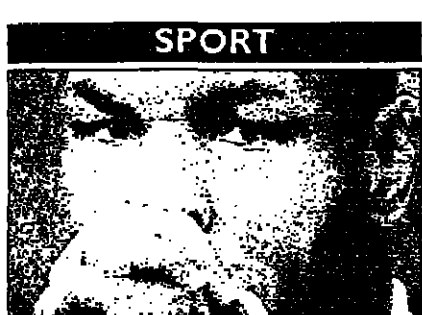
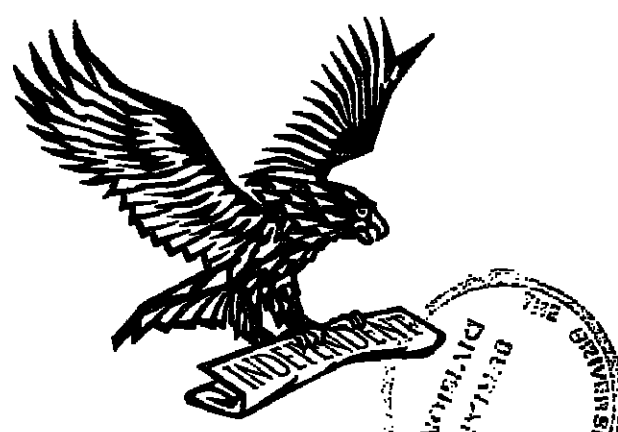




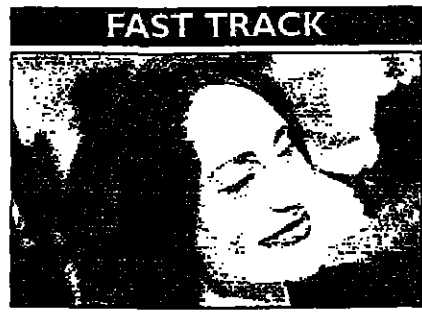
**WHAT A FINE MESS**  
Who's the man behind the  
custard? See page 7



**ON THE ROPES**  
Mike Tyson - down to his  
last \$150,000. See page 26



**LOTTERY OF LOVE**  
Shamed - but a wife stands  
by her man. See page 17



**TIPS FOR GRADUATES**  
Want to get ahead? Get  
a haircut

# THE INDEPENDENT

Thursday 5 February 1998 45p No 3,526

## Stones man to put the honky tonk into Mandy's Dome

ROCK AND ROLL stage set designer Mark Fisher, who over the past 25 years has worked with the most famous rock acts in the world, including the Rolling Stones, Tina Turner, Pink Floyd, Phil Collins, and R.E.M., has been recruited to bring magic to the Millennium Dome.

World, Jean-Michel Jarre and the City of Moscow, will stage the show in the central plaza in the dome, six times a day in peak season and three times a day in low season.

Twelve thousand people are expected to watch each performance which will last about 20 minutes, but these figures don't frighten the designer of the Stones concerts sold out all over the world. This is the designer who can turn an event into a spectacle.

By Nonie Niesewand  
Design Correspondent

"The show won't be the history of rock and roll, but it'll be spiritually uplifting and optimistic about the future," Mr Fisher said.

His first show for the Stones in 1990, "Steel Wheels", catapulted the band from eight to three in the world-wide chart of top performance earners. That road show, which was seen by 3 million people in the United

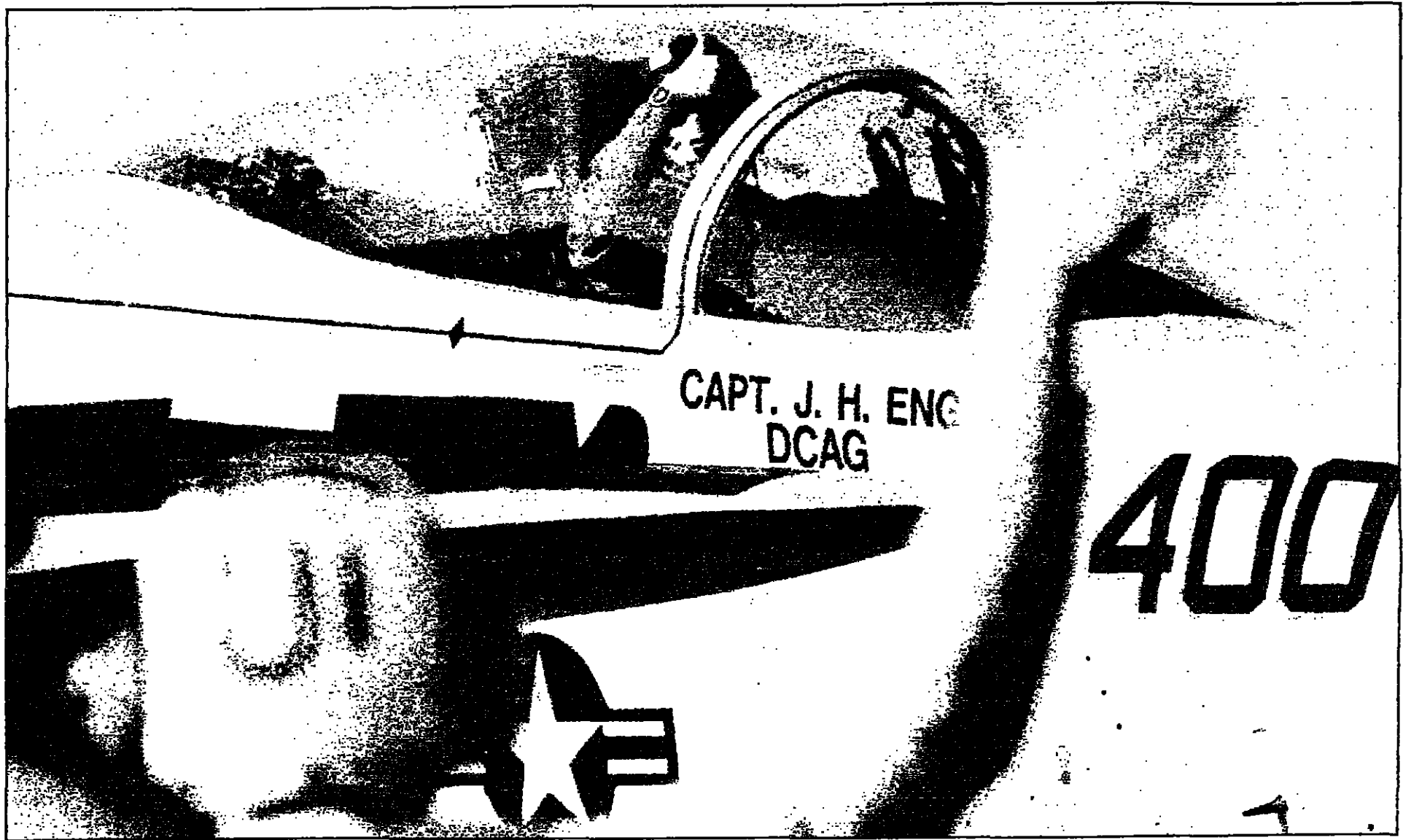
States, generated revenues exceeding \$100m and cost the band \$18m to stage.

## US military planners pick their date for air strikes as Yeltsin attacks Clinton and warns of impending world war

### Blitz on Saddam is just 12 days away

AIR STRIKES against targets in Iraq will start in 12 days time on 17 February, if current diplomatic moves to defuse the crisis fail, sources in Washington have told *The Independent*. Planners consider this the optimum date for an attack, although President Bill Clinton would have to give the final go-ahead.

The date would allow the United States and Britain to say that they have given ample time for diplomatic moves by Russia and France to bear fruit. Asked about the timing of military action this week, Madeleine Albright, the US Secretary of State, said: "It is not days and not months. That means weeks."



Ready for action: an F-18 Hornet jet fighter aboard the aircraft carrier USS George Washington in the Gulf yesterday

Photograph: Jim Hollander/Reuters

### Call for investigation into Camelot's lottery licence

Auditor General will be asked to investigate the grant of the lottery licence to elicit over revelations in *The Independent* that former auditor Peter Davis may have aided Parliament over crucial security checks on American businessmen bidding for the contract, write Kim Sengupta and Colin Brown.

Alan Williams, the Labour MP for Swansea West and a member of the powerful House of Commons Public Accounts Committee (PAC) will ask Sir John Bourn to find out exactly what steps Mr Davis took to check applicants' backgrounds before awarding the franchise



John Stoker: New regulator

### Today's news

#### Peps rethink

GORDON BROWN is prepared to make concessions in his plans for new Individual Savings Accounts. The Chancellor indicated yesterday that savers could transfer into a new account from existing Tassas and Peps without breaching the £50,000 lifetime limit on ISAs.

#### Plutonium problem

BRITAIN is creating more and more plutonium without any credible long-term plans for dealing with it, says the Royal Society. Stocks of the toxic, radioactive metal are set to double over the next 10 years to 100 tons.

#### Tooth delay

FEARS of a public backlash have forced ministers to change their minds over plans to extend fluoridation of Britain's water supply to prevent tooth decay.

### The prize that could be the death of you

FEELING low, looking for 15 minutes of fame? You have just a month left to come up with a spectacular way to end it all, writes Paul McCann. Nominations for the annual Darwin Awards for the individual who "removes themselves from the gene pool in the most spectacular fashion" close on 1 March.

The Internet-run award is named in memory of Charles Darwin and his theory of evolution. The judges are currently tipping David Zuback, 33, from Washington State in the US as the man who has done his species the biggest favour.

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INSIDE GUIDE • WEATHER, P2 • CROSSWORDS, P22 • AND EYE P10 • TODAY'S TELEVISION, EYE P12 • FULL CONTENTS, P1

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# Peers warned of casualties in newspaper price war

The battle to curb Rupert Murdoch's press power was stepped up yesterday as peers mustered cross-party support for a critical amendment to the Government's Competition Bill. Anthony Bevis, Political Editor, analyses the debate.

Lord McNally, the Liberal Democrat spokesman who once served as James Callaghan's parliamentary aide at No 10, warned yesterday that there could be newspaper "casualties" if the legislation went through without his amendment targeting the predatory pricing of newspapers.

"It isn't just *The Independent* that is in trouble," he said, "or the *Telegraph* that is haemorrhaging, the whole structure of our newspaper industry is in anarchy at the moment."

Lord McNally said the Government might be refusing to act on the issue at the moment. "But my prediction is that in a very short time, they will have to do something as they will be faced with major casualties. Then there will be a great slamming of stable doors and a weeping of crocodile tears."



Lord McNally (left), whose amendment to the Competition Bill is supported by Lord Borrie (right), a former director-general of fair trading

His Murdoch amendment has the backing of Labour and Tory peers, as well as independent cross-benchers - but the Government will impose a three-line whip against it when it comes up for debate in the Lords on Monday night, arguing that it is not necessary to take specific ac-

tion against Mr Murdoch's price-cutting operations.

But Lord Borrie, a Labour peer and director of the Mirror Group - which owns 46 per cent of *The Independent* - said that as a former director-general of fair trading he believed there was a precedent in the



Fair Trading Act 1973 for taking direct and specific action to protect the diversity of opinion and freedom of expression in the press.

He was supporting Lord McNally's amendment because it would clarify the Competition Bill.

Uncertainty about the impact of

the legislation has been compounded by Lord Simon of Highbury, minister for trade and competitiveness in Europe, who said in December that he did not wish to give a view about the impact of the legislation because "this would risk trespassing on the territory of the director-gen-

eral of fair trading, the Competition Commission, and the courts under the new legislation."

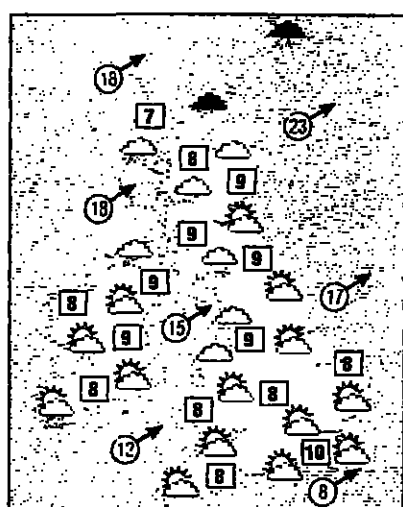
A Labour critic in the Commons said last night: "What are ministers for if they cannot tell us what their legislation is going to achieve?"

Lord Borrie said: "This amendment will address the uncertainty that exists in the Bill - as to whether it will cover what has been going on in the newspaper industry: namely the persistent under-cost pricing of the *Times* newspaper, to the damage of its rivals, particularly *The Independent* and the *Telegraph*."

A News International spokeswoman said yesterday the company would co-operate in any inquiry into its tax liabilities, writes Steve Boggan. "We comply with the tax laws and co-operate with the tax authorities in all the countries in which we operate," she said. "That compliance and co-operation will continue."

Sources inside the company said news of the inquiry, revealed in yesterday's *Independent*, came as a complete shock to Mr Murdoch. Until yesterday's revelations, his representatives had no idea he was being targeted for special attention. It is thought his lawyers are planning to contact the tax authorities in the US, Australia, the UK and Canada to establish the nature of the inquiry.

## WEATHER



It will be a mild day everywhere. Most of Scotland will be cloudy with some drizzle and there will be steady rain in the north and north-west but eastern parts should be drier with brief sunny spells. Northern Ireland will have the odd shower, mainly in the north and west, with a little sunshine in the east. England and Wales will start rather cloudy, with spots of rain or drizzle in the north-west and a shower in the south-west, but most parts will be dry with some sunshine appearing at times.

**Outlook for the next few days**  
Rain will move across Scotland and Northern Ireland, into Wales and northern England, by Friday afternoon. Elsewhere it will be mild and dry with sunny breaks but it will turn wet in the evening or overnight. Rain will clear in the early hours of Saturday, leaving brighter but colder weather with sunny spells and scattered showers. It will become milder again Sunday as more cloud and rain spreads eastwards but in the south there will just be some drizzle.

### High tides

London	07:46	6.5	20:34	6.4
Liverpool	05:21	7.9	17:56	8.0
Aberdeen	00:48	11.0	13:29	10.9
Hull (Albert Dock)		n/a	12:47	7.5
Glasgow	06:23	3.2	18:50	3.1
Dun Laoghaire	06:17	3.6	18:43	3.8

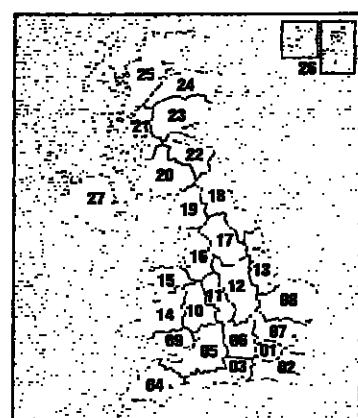
Height measured in metres

### Lighting-up times

Belfast	17:10	10	08:04
Birmingham	17:01	10	07:41
Bristol	17:07	10	07:41
Glasgow	16:59	10	08:02
London	16:57	10	07:31
Manchester	16:50	10	07:46
Newcastle	16:51	10	07:48

### Sun & moon

Sun rises	07:33	Sun sets	16:57
Moon rises	11:55	Moon sets	02:18
Full moon	February 11		



### INDEPENDENT Weatherline

For the latest forecasts dial 0800 500999 followed by the two digits for your area indicated by the above map. Source: The Met Office. Calls charged at 50p per min at all times (inc VAT).

## Øy! Øy! - Pardon my Norwegian



WILLIAM HARTSTON

Some items raised in readers' letters, starting with a correction to our piece on Shipping Areas:

From the Rev John Williams, West Wittering, Chichester:

"A light is not a smooth stretch of coastline: it's another word for bay. German Bight is the wide bay formed by the coastlines of Jutland, Schleswig-Holstein and Lower Saxony. Its name in German is 'Deutsche Bucht', which very definitely means bay."

"And *Utsire* is not the Norwegian for island. That is 'øy', connected linguistically with the English place-name suffix '-ey', as in Canvey, Selsey etc. Utsira is a small island off the West coast of Norway."

While grateful to accept that I can't tell my *Øy* from my *Utsire*, I'm less convinced by *bygt*. The Old English 'byht' simply meant a bend, and a light in a piece of string is any free curve. Chambers 21st Century Dictionary gives 'a stretch of gently curving coastline' as one definition.

From KJ Teacher, East Finchley, London:

"For two or three weeks around the winter solstice the Sun both sets and rises each day at a later time. An equivalent situation occurs at the summer

solstice, though here the period during which sunsets and sunrises move in the same direction is much shorter. I'd be fascinated to know why."

It's due to the difference between 'Apparent Solar Time' (as read on a sundial) and 'Mean Solar Time' (as seen on a clock). Because the Earth's orbit round the Sun is elliptical, and because of the tilt between the axis of the Earth's rotation and the plane of its solar orbit, the time from one sunrise to the next is not constant but varies from about 23 hours and 46 minutes to 24 hours and 16 minutes. Mean Solar time smooths out these differences. At their worst, sundials are 14 minutes slow in February and 16 minutes fast in November. The Sun's apparent both rising and setting later around the winter solstice is a symptom of the Earth's catching up with the clock. In summer, the discrepancy is not so wide, and the catching-up period does not take so long. If you want to set your sundial, do it round 15 April, 14 June, 1 September or 23 December - when Mean Solar Time and Apparent Solar Time coincide.

Steven Squires of Luton has sent us a photograph of an unusual rainbow: "... What puzzled me was the fact that the Sun was low in the sky and the curvature of the rainbow was away from the Sun rather than as a halo around it. The red of the rainbow was on the outer curve."

Red on the outer curve is a sign of a secondary rainbow, caused by a double reflection of the light inside each raindrop. These are very puzzling when you cannot see the primary rainbow. Even odder rainbows may be due to sunlight that is first reflected off the still surface of water, then refracted through raindrops.

## TOMORROW

### IN THE EYE

28 pages of film & music



Kevin Kline: sex, jokes and more sex



WIN a holiday for two in New York

Bob Marley: Early year, forgotten songs

Paul McGann: A lean little thing who acts big



Olivia Williams: Made famous by Kevin Costner

The Ice Storm: Inside the decaying heart of suburban USA

## WEATHER WISE

El Niño has disrupted weather patterns around the world. Here are the latest items for which it must take the credit or blame.

**Kenya:** According to an official count, there are now more than 1.5 million flamingos around Lake Nakuru in the

Rift Valley. The birds have been largely absent from the lake for the past 10 years, but El Niño has brought the ideal weather for them to return in force. "They are back, and it is very nice to have them," said Daniel Kilongo, senior warden at Nakuru National Park. Falling water levels in the

1980s had affected the salinity of the lake and driven the flamingos away, but the recent torrential rain has restored levels.

**Mexico:** Storms blowing in from the United States have brought unusually cold weather to normally balmy

spots in Mexico. Light snow was reported in 10 Mexican states on Tuesday. At least three people - two in Cuba and one in Guatemala - were reported killed in storms.

**Guyana:** The education ministry in Guyana has announced plans to cut after-

noon classes for primary and elementary schools starting next week. This has become necessary as part of a strict water-rationing plan. While high-level winds, caused by El Niño, have protected the Caribbean from hurricanes, they have also led to severe drought in South America.

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## Britain's king of the counterculture is killed in car crash

The man considered by most to be Britain's ecstasy guru has died in a car crash. Jason Bennett, Crime Correspondent, considers the life of an extraordinary individual who epitomised the idea of counterculture.

Throughout his life Nicholas Saunders dared to be different. At one stage he lived in a house in London with a duck pond in the front room and a machine that blew giant bubbles into the road. The property was later destroyed after a Danish girlfriend set light to a papier mâché igloo where she had been meditating.

Saunders, who died aged 60 in South Africa on Tuesday in a car crash, championed an unconventional lifestyle during the Sixties with the publi-

cation of the first *Alternative London* guide and later campaigned for the safer use of the drug ecstasy. He was also responsible for transforming Neal's Yard in Covent Garden into a Mecca for vegetarians, old hippies, and new trendies.

His three books, including *E for Ecstasy*, have become essential for drug users and researchers, and his Internet website, which displays pictures of ecstasy tablets is accessed three million times a year.

He started to rebel while still very young, attempting to blow up his school chapel at Ampleforth in Yorkshire. The bomb failed to go off.

His father, Sir Alexander Carr-Saunders, was director of the London School of Economics, which friends believe was partly responsible for turning his son against authority.

In London in the Sixties he took up squatting and in 1970 he printed the successful *Alter-*

*native London* guidebook, offering information on clubs, the women's movement and squatting.

He later developed an old warehouse in the then derelict Neal's Yard and opened the first wholefood warehouse in London that sold goods in bulk. This led to a series of other shops including a coffee house, a bakery and a dairy.

In the 1980s he took his first ecstasy tablet, which was to transform his life again. On taking the drug he decided that he had been mildly depressed for the past decade and set about researching the properties of the new substance. This led to the three books and a wealth of original survey work.

On his website - [www.ecstasy.org](http://www.ecstasy.org) - he published regular photographs of the various ecstasy pills on the market with warnings about what contaminated substances, such as brick dust and speed, they contained.

At the time of his death he was completing research into a book about natural drugs used by tribes throughout the world.

He died of a brain haemorrhage after the car he was being driven in overturned three times on a road at Kroonstad, about two and a half hours from Johannesburg. His driver was injured and there are suggestions that the car had been deliberately targeted by roadside hijackers. Certainly robbers had rifled his pockets before the ambulance arrived.

Yesterday friends and drug experts paid their tributes.

Georganne Downes, a girlfriend of Saunders throughout the Seventies, and now the Countess of Uxbridge, added: "He was an alternative Richard Branson. Everything he touched turned to gold, although he always did everything on the cheap."



Saunders and his partner Anya Dashwood

Still Pictures



Photograph: Herwig Vergutz/AFP

One in the eye: Microsoft boss Bill Gates after the custard pie attack in Brussels yesterday

## Gates gets a pasting from the custard pie champion

One of the world's richest men received an unexpected pasting yesterday, as unidentified pranksters in Brussels hurled a pie at Bill Gates.

The projectile was well aimed. The Microsoft boss was reduced to a slapstick figure of fun, his spectacles plastered over and his suit of the finest cloth bespattered with gunk.

Topping the list of potential suspects is Noel Godin, a kind of Belgian Dennis Pennis armed with confectioner's custard, who specialises in leaving egg on the faces of the rich and famous. Previous victims included the French philosopher Bernard-Henri Levy and

the film-maker Jean-Luc Godard.

The Microsoft boss, whose personal wealth at Christmas was believed to have topped a prodigious \$36.8bn (£23bn), came under fire as he was on his way into the Concert Noble, where he was about to attend a reception hosted by Flemish politicians. Two men were arrested.

A Microsoft spokesman said the company would not be pressing charges for the attack. Gates was unhurt, though visibly embarrassed, and after a clean-up in a side room emerged for a meeting with the Flemish Prime Minister Luc van den Brande.

The custard missile may have been the work of a self-publicist, but there are plenty of other signs that public opinion, not least in the United States, wants to see Gates eat humble pie.

All this in spite of some cringe-making displays of "humanity" on late-night talk shows in the US, where he sang "Twinkle Twinkle Little Star", and a public pledge to outdo CNN's Ted Turner in the philanthropy stakes.

In his worst legal defeat, America's Justice Department recently ordered the Microsoft boss to stop forcing computer manufacturers to install Microsoft's Internet browser on its PCs.

The furore surrounding the case transformed Gates' image - from the charmless but harmless lord of the computer world's geeks and nerds to a bully bent on world domination.

Now there are reports of crossed wires in cyber-wizard's new \$40m palace. "I brought up a big screen in my bedroom to watch a programme and for some reason the system stopped working," he confessed to TV talk-show host Barbara Walters. "It was sitting there shining and I wanted to go to sleep. So finally I had to get a blanket and put it over the screen."

— Marcus Tanner

## Elton and Stevie to provide Bill and Tony with some aural stimulation

It is well known in Washington circles that Bill Clinton loves nothing better than a bit of aural stimulation, so tonight he is in for something of a treat. Steve Boggan reports.

As a surprise for his special guest Tony Blair, the President has lined up Elton John and Stevie Wonder for a special White House performance of the duet *Ebony and Ivory* to conclude day one of the 'Tony and Bill' show.

There has been talk for some time of Elton John performing for Mr Clinton at a star-spangled dinner tonight,

but yesterday it emerged that Wonder would also be there to sing the song he made famous with Paul McCartney.

The White House dinner is the hottest ticket in town, with guests including Sting and his wife, Trudie Styler, together with a host of America's rich and famous. Sir Paul, who wrote the number one song in 1982, and his American wife,

Linda, were also invited but were not able to attend.

Two pianos are to be set up on the West Terrace, where a half-hour of entertainment is scheduled at the end of what promises to be a lavish dinner.

The President, a keen saxophonist, and the Prime Minister, a guitarist, were rumoured for a while to be considering a jam session but

Capricia Marshall, Mr Clinton's social secretary, said talk of Mr Clinton getting his instrument out for a blow was incorrect. It was on everyone's lips until yesterday.

The choice of the duet is not thought to be significant, although the verse - "We all know that people are the same wherever we go/There is good and bad in everyone/We learn

to live, we learn to give/each other what we need to survive together alive" - has elements reflecting the President's past week: badness, forgiveness and survival.

"The President wanted to keep the performance as a surprise for Tony but word leaked out from Washington," said a Whitehall source. "It's being seen as a terrific gesture and

Tony's really looking forward to it."

It is not clear yet whether Elton John will perform "Candle in the Wind" in memory of Diana, Princess of Wales, but many observers think it unlikely.

He said after her funeral that he did not intend to perform it before a live audience. Mr Blair flew to Washing-

ton on Concorde last night and will start his day today with a breakfast with the Irish congressional lobby before lunch with Mr Clinton and a visit to a school.

Tonight's festivities will begin at 8.45pm, when Mr Clinton will propose the toast and Mr Blair will respond. The tinkling of the ivories will begin at 10.15pm.

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## Chancellor to back down over plan to curb Peps

The Chancellor is prepared to make concessions in his plans to introduce new Individual Savings Accounts following a storm of controversy over the proposals. Diane Coyle, Economics Editor, reports on a partial victory for critics of the planned accounts.

Gordon Brown has indicated to officials that he is prepared to concede ground on some of the criticisms of the proposed Individual Savings Account during the consultation period.

The most likely change would be an increase in the amount that people can transfer into a new account from existing Peps and Tessas without breaching the £50,000 lifetime cap on contributions to the new accounts, according to senior sources.

The change of heart is thought to reflect ministerial unhappiness with the perception that the ISAs are part of a covert attack on the middle classes as much as an admission that the proposals are genuinely flawed.

Certainly, many experts have argued that the switch from Peps and Tessas to ISAs will discourage middle-class savers without increasing saving by the less well-off by very much. Most recently the National Institute for Economic and Social Research, a respected independent think-tank, said the Government's proposals would reduce the amount saved in Britain.

The main criticisms of ISAs by the financial services industry, however, have focused on the difficulty of administering

the £50,000 lifetime limit. Potential providers of the accounts have said it will be difficult to keep track of separate accounts and to monitor withdrawals.

However, Treasury sources have already indicated that there is no intention to raise or abandon the £50,000 ceiling.

However, there has also been much unhappiness with the fact that the cap imposes a *de facto* limit on the amount that can be transferred from existing Peps and Tessas. This will affect between 10 and 15 per cent of current holders of Peps, according to the Inland Revenue.

A concession increasing the amount that can be transferred from existing accounts is likely to be announced in the Budget on 17 March.

Prudential, the UK's biggest life insurer, yesterday proposed that the Government should link the new Individual Savings Account with its other major reform of personal finance, stakeholder pensions.

The Pru said it shares concerns that ISAs will be made attractive to low-income savers at the expense of pension saving. In its Budget submission to the Government it said it wants ISA savers to be able to shift money into pensions with no tax penalty.

The Pru also suggested cash bonuses for long-term saving instead of the proposed tax credit of 10 per cent on the growth of the fund.

Its submission repeats a criticism made by the Institute for Fiscal Studies. In its "Green Budget" report last month, it argued that reform of tax concessions for saving should have been explicitly linked to pension reform.

Budget for work, page 20



Design guru: Talented architect Mark Fisher is in much demand for his spectacular sets for rock tours

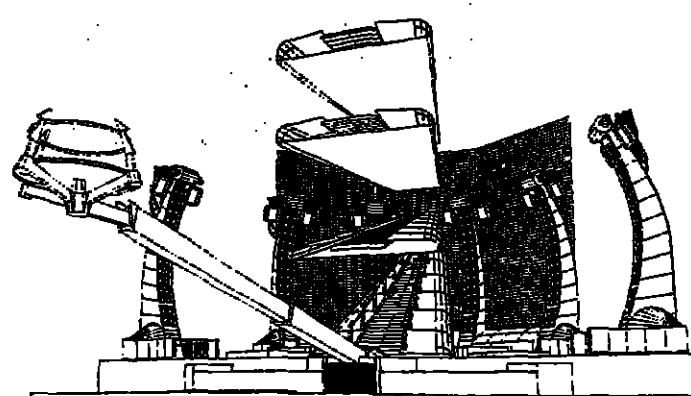
Photograph: Cristina Garcia

## 'Jumping Jack Flash' who will transform Dome

It will be a terrific, full blast, megawatt, stage struck experience. Mark Fisher's raw materials are scaffolding, fireworks and dry ice, inflatable models, enough flashing lights to illuminate Milton Keynes for one night, and half a million watts. And he's planning the show of the century at the Millennium Dome.

In the United States his show for the Rolling Stones' 1990 Steel Wheels tour saw the band jump from eight to three in the world-wide chart of top performance earners. It generated revenues of more than \$100m and was seen by 3 million people. Unassuming Fisher says mildly that he just uses special effects to highlight the performers. His lack of ego makes him a great team player.

The Stones' "Bridges to Babylon" tour of Mexico moves to Europe in May and the UK in August. "Pop-mart", in which he catapulted U2 on stage in a 60ft rotating lemon is touring the Far East. Bono wrote "Too Much is Not Enough" around Fisher's sleuthwork for the set - it's the title of an autobiography by Morris Lapidus who designed the American supermarkets of the Fifties and Six-



Fisher Park's concept for Tina Turner's 1990 Foreign Affair tour, which was designed to play in indoor and outdoor venues

ties and Fisher just loved it. "Rock is not a subtle medium," he says.

From his modest north London house, Architectural Association trained Fisher designs shows for Tina Turner, the Stones, U2 and Janet Jackson. So you can see why he thinks the Dome is a truly wonderful thing to be asked to work on. Outing M16 agents is easier than getting names from the New - or even the Old - Millennium Experience.

Confidentiality pressures on every player under the Dome prevent him from commenting on his role.

What catapulted Fisher to fame was the Berlin concert for Roger Waters of Pink Floyd in 1990. No sooner had the wall come down than Mark Fisher, with his then partner Jonathan Park, built the largest set in the world from 2,500 styrofoam bricks stretching 550 feet across No Man's Land for a one-night gig.

Blood red at first, it was a backdrop to the military parade with gigantic projections written in 60ft high letters. "All in all it's just another hole in the wall" was blasting out as he blew it up in a flurry of styro-foam bricks. He recycled them as cavity wall insulation after the show.

Good on recycling, he turned old inflatable Honky Tonk Women from the Stones' "Steel Wheels" set into gargoyles to highlight an exhibition of "Portable Architecture" at the Royal Institute of British Architects.

To camouflage the scaffolding skeleton, theatrical scrim is painted or left plain for projected images. A few 3D effects vary the monotony of everything taking place on one level. Fisher knows how to work with set riggers on the skeletal structure since they are capable of "modifying it" which means leaving it behind. Sets have to be capable of being built in 60 hours, up to 250 times in a tour.

One thing is for sure. If Mark Fisher signs his contract early next week, the dome will have at least one terrific crowd pulling attraction.

— Nonie Newswand  
Design Correspondent

## RUC too cautious about change

Senior management of the Royal Ulster Constabulary was last night criticised for being too cautious over making changes in the force. Colin Smith, the Inspector of Constabulary with responsibility for the RUC, told MPs every recommendation he had made about the force had been acted on. But he criticised the slowness with which this happened.

He told the Commons Northern Ireland Affairs Select Committee: "There is excessive caution in introducing change." He excepted the present Chief Constable, Ronnie Flanagan, who had been "totally and completely responsive to every recommendation I've made".

"But in the higher echelons there has been a reluctance to take brave decisions and move forward," he said.

## MPs to examine Chinook crash

A new inquiry is to be launched into aspects of the RAF Chinook helicopter disaster on the Mull of Kintyre in which 29 people died, MPs decided yesterday.

The investigations will concentrate on general issues arising from the crash. Twenty-five Northern Ireland intelligence experts and four crew died when the helicopter crashed into a remote hillside in thick mist in 1994. An RAF board of inquiry blamed "gross negligence" by the two pilots, which their families have rebutted. The Commons defence select committee will call Armed Forces Minister John Reid to give evidence.

— Andrew Burcombe

## Riddle of worms in very hot water

Scientists have been stumped by deep-sea worms which thrive in temperatures almost hot enough to boil water.

The Pompeii worm, *Alvinella pompejana*, lives around volcanic hydrothermal vents more than a mile-and-a-half deep on the floor of the Pacific ocean.

Fluid gushing from the metal-sulphide "chimneys" of the vents can reach 300C. The four-inch-long worms live in tubes attached to the chimney walls, where their bottom ends simmer at 80C while their tops chill out at a coolish 20C.

Nature journal reported yesterday that scientists think the worms may survive by being insulated by hairy-looking bacterial hitchhikers that coat their bodies.

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## PAINFUL LESSON

Seven-year-old Kieran Morris and his five-year-old brother, Dylan, are painfully familiar with their dental surgery. At the age of three, both boys had virtually every tooth extracted under because they were so badly decayed. Kieran and Dylan have the misfortune to live near Bolton, in the North West Water region, where supplies are not fluoridated. A recent survey said the area has the worst dental health in England.

The boys' mother, Joanne Morris, said she had always made sure that they brushed their teeth properly, had few sweets and sugary drinks and visited the dentist regularly. "Despite all that, Kieran's top teeth were like black stumps in his mouth," she said. "He started getting abscesses and he was in a lot of pain. After Kieran's problems, I took extra care with Dylan, but his went bad too."

Mrs Morris is considering joining a group legal action against North West Water, which has resisted fluoridising water supplies although regional health authorities have offered to fund it. "I want to help prevent other children from suffering like mine," she said.



Is brushing enough? Medical experts say fluoridation of water supplies could even out dental health inequalities between rich and poor Photograph: John Lawrence

## PERFECT TEETH

Julie Newell admits that her two children, Charlotte, eight, and Matthew, six, are not conscientious about cleaning their teeth. Nevertheless, both of them have perfect teeth, and they have never visited the dentist for anything more than a check-up.

"I feel very fortunate to live where I do," said Mrs Newell, who lives in Solihull, in the West Midlands. "A lot of my friends have got children of the same age, and none of them have any problems with their teeth either."

A recent survey, by the British Association for the Study of Community Dentistry, found that residents of the West Midlands enjoyed the best dental health in England. The water in the region has been fluoridated for many years.

Mrs Newell's husband, John, said: "The children eat a lot of sweets and we always warn them that they'll ruin their teeth, but when they go to the dentist, they never need to have anything done. The only thing I can put it down to is the fluoride. I feel very sorry for families in unfluoridated areas. Children deserve the right to have decent teeth."

## Fluoride fear condemns children to tooth decay

A government Green Paper on public health published today will ignore one of the simplest, most effective ways of tackling health inequalities: adding fluoride to drinking water. Jeremy Lawrence, Health Editor, reports.

Fears of a public backlash have forced ministers to change their minds over plans to extend fluoridation of Britain's water supplies to prevent tooth decay.

Tessa Jowell, the minister for public health, has bowed to pressure from cabinet colleagues worried about the civil liberties implications of requiring water companies to introduce a chemical additive to their supplies.

Jack Straw, the Home Secretary, wrote to Frank Dobson, the Secretary of State for Health, last October urging him to meet anti-fluoridation campaigners. "Having looked carefully and objectively at both sides, I do feel that theirs is a valid point of view," he wrote.

Ms Jowell favours further fluoridation and has described as "unacceptable" the refusal of some private water companies to consult with health authorities on the issue.

The National Alliance against Dental Health Inequalities, representing 31 medical, dental and voluntary organisations, has called for legislation to give the final say on fluoridation to publicly accountable health authorities, rather than privatised water companies.

Dr Sandy Macara, chairman of the British Medical Association, said: "Fluoridation of water supplies in deprived areas would halve tooth decay

rates in five-year-olds within five years. This could be achieved at very low cost."

John Hunt, British Dental Association chief executive, said: "The Government has a real opportunity to reduce dental health inequalities. It is unacceptable that water suppliers are dictating public health policy."

In a Commons written answer last November, Ms Jowell said the Government was reviewing fluoridation, and cited extensive scientific literature in support of its safety. No serious side-effects had been identified, she said.

Today's Green Paper, which will set out the Government's plans for tackling the health gap between rich and poor, is expected to disappoint pro-fluoride campaigners by recommending further consultation. Ms Jowell is understood to have told colleagues she is anxious to "go with the grain of public opinion" and avoid "needlessly intrusive, bossy government".

Fluoride exists naturally in all water supplies. In some areas, such as Hartlepool, the concentration is high enough to reduce tooth decay by about a half. In other areas, the natural level can be topped up.

About 5.5 million people in Britain drink artificially fluoridated water, mainly in the West Midlands and the North-east. In Sandwell, west Midlands, where fluoride was added in 1988, tooth decay in five-year-olds has fallen by half. In Blackburn, a less deprived area without fluoridation, it has remained unchanged.

Fears that children using fluoride toothpaste who live in areas with high levels of fluoride in the water may overdose are unfounded, says John Hunt, of the BDA. "The only possible side effect is a minor flecking of tooth enamel."

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As a result of the overwhelming response we have had to our recent easyJet flight promotion we have arranged with easyJet for the booking period to be extended. The booking line will be open from 6pm until 11pm tonight as originally planned. The lines will be closed on Friday, Saturday and Sunday. However, the lines will re-open on Monday 7th February and Friday 12th February between 1pm and 11pm.

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## Prescott: Why I may finally be forced to leave the Jag at home

John Prescott hinted yesterday that he may have to abandon his beloved private Jaguar as he launched a consultation exercise on the greening of Britain.

The Deputy Prime Minister claimed he had been making adjustments to his private life to become more environmentally friendly: "I use public transport more than private transport and I often take the chance to walk, as I did this morning."

But Mr Prescott brushed aside questions about Tony Blair's choice of Concorde, the world's most polluting vehicle, for his trip to Washington yesterday. "It's a great aircraft; next question," he said.

He was speaking at the launch of the Government's sustainable development initiative aimed at finding out the public's views on how to create "a fairer, greener and richer Britain".

The Government is stressing that fairness and social justice are as important as environmental protection in achieving sustainable development, the mantra of the environmental movement for the past decade. "We have to find a way of making sustainable development meaningful for all our people," said Mr Prescott.

However, only a third of the British public claim to have heard of the phrase and most are unable to define it. According to the consultation document released yes-

terday, sustainable development is "concerned with achieving economic growth, in the form of higher living standards, while protecting and where possible enhancing the environment".

To help, 100,000 leaflets have been printed and will be distributed in supermarkets and post offices, among other places.

They will invite everyone to give ideas and views on what the objectives and targets of the sustainable development plan should be, and what policies should be used to achieve them.

The intention of the exercise is to collate a broad range of views in order to draft a strategy by the year's end.

Michael Meacher, the environment minister, said: "We shall not achieve sustainable development if the only ones who are involved are politicians and journalists in London."

Ministers will be travelling the country in the next couple of months in an effort to promote the consultation process in the regions. In the meantime, the Deputy Prime Minister said that people, himself included, might have to change their lifestyles and ways of doing business. They might find more gain than pain in doing that. "Whether it's me in a Jaguar or somebody else, let's just get talking about it," he said.

— John Triggs



Country conflict: Protesters at the Compassion in World Farming rally against live export trade outside the National Farmers' Union annual meeting in Park Lane, London, yesterday. Inside, Jack Cunningham, the Minister of Agriculture, Fisheries and Food, was heckled by farmers. Photograph: Suzanne Hubbard

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## Labour joins forces to put Cook in clear

Labour MPs yesterday shouted down Michael Howard's call for Robin Cook to resign for allegedly sacking his diary secretary to make way for his mistress, Gaynor Regan. Colin Brown, Chief Political Correspondent says Labour hope the Foreign Secretary is now off the hook.

The Government staged a rescue operation for Robin Cook yesterday to destroy an attack by Michael Howard and Tory backbenchers on the Foreign Secretary.

Tony Blair dismissed the assault as opposition by "trivial pursuits" but friends of the Foreign Secretary were relieved the carefully planned counter-attack on the Tories had secured Mr Cook's position, which, barring further accidents, was no longer under threat at Westminster.

Mr Cook was absent from the chamber, meeting his German counterpart, Klaus Kinkel, and preparing for a mission to the Gulf.

It was the first time the Conservatives had called for Mr Cook's resignation but Labour spin-doctors were satisfied the steam has run out of the Conservative drive to force the Foreign Secretary to go. A Tory MP said: "They did a good job. We couldn't keep it going."

Labour's tactics were carefully co-ordinated. The Prime Minister's words echoed those

in the headline on an article in yesterday's *Evening Standard* by Peter Mandelson, Minister without Portfolio, who linked the Tory attack on trips abroad by ministers and their partners, spending on flats, and Mr Cook's partner as "trivia". A party source said: "We could have left the chamber empty but the press would have said Robin Cook has no friends. This was a spontaneous demonstration of support for the Foreign Secretary." Mr Howard accused Mr Cook of a "scandalous abuse of ministerial power" by sacking Anne Bullen as his diary secretary. There were shouts at the former home secretary: "You sacked Derek Lewis (former prisons chief)". But Labour's counter-attack, led by Derek Fatchett, Foreign Office minister, centred on a letter by Douglas Hurd, former foreign secretary, showing he had replaced his own diary secretary after a few months "because things did not work out".

Mr Fatchett said the letter was written after civil-service trade-union members complained at Lord Hurd's appointment of Ms Bullen. He also claimed she was chosen because of a family Eton connection and she was a political appointment, not a career civil servant. She had been a personal assistant to the Earl of Limerick, a friend of Lord Hurd and contemporary at Eton. She had worked with a company which had close connections with the Foreign Office. Her appointment upset other civil servants because it bypassed rules requiring competition for posts and was on a contract of up to five years.

## 'New Statesman' wage bill queried

Geoffrey Robinson, the Paymaster General, was yesterday called on to make a Commons statement on his links with the *New Statesman* magazine.

John Redwood, the Conservative spokesman on trade and industry, said he had gone through the company's accounts and was baffled by the fact that the magazine's salaries were paid by a Robinson trust to the *New Statesman*, which passed the money to a former Robinson company, Stenbell, which in turn paid the salaries.

"The obvious thing to do," Mr Redwood said, "would be for Geoffrey Robinson to give the *New Statesman* the money, and for them to pay the wages."

Mr Redwood said he wanted to know whether Mr Robinson was maintaining influence, through his trust payments, over the editor of the *New Statesman*.

"It would be a matter of considerable public interest," he said, "and in the light of what the accounts tell us, we should be told more in Parliament about the relationship."

Ian Hargreaves, the magazine's editor, told *The Independent* last night: "I certainly do not feel myself subject to undue influence of any kind, and I do not note from what Mr Redwood says that he has any evidence of such influence."

He added that the relationship between Stenbell and the magazine had been set up when Mr Robinson took it over, after it had gone to the wall, and the arrangements had persisted. "I know it would be nice for people to be able to conclude that it was all deeply evil," he said, "but Mr Redwood is grasping at sinister straws to create a scandal."

— Anthony Bevis

# Nuclear stockpile at Sellafield enough for 100,000 bombs

Britain is running grave risks in creating deadly plutonium without any credible long-term plans for dealing with it, the Royal Society says. Nicholas Schoon, Environment Correspondent, examines the scientific society's report.

By 2010, enough plutonium will have accumulated at British Nuclear Fuel's (BNFL) Sellafield plant in Cumbria to make nearly 10,000 crude nuclear weapons.

says the "scoping study" published yesterday by the Royal Society, the nation's premiere scientific society.

The stock of this highly toxic, radioactive metal is set to double over the next 10 years to 100 tons. "We're disturbed at the present lack of strategic direction for dealing with plutonium," said Sir Ron Mason, a former chief scientific advisor to the Ministry of Defence, who chaired the expert team. "What is the point of the British getting up in the United Nations and preaching the cause of nuclear non-proliferation world-wide when they are taking this risk at home?"

The plutonium in question is civilian, not military, and it comes from reprocessing the spent nuclear fuel from Britain's nuclear power stations. The plutonium in this spent fuel is mixed with other highly radioactive materials, including uranium, and is completely unsuitable for use in nuclear weapons.

But after reprocessing, the separated plutonium becomes a much more tempting target for any terrorist. Sir Ronald said only about 10kg - a briefcase full - would suffice to make a crude fission bomb.

The Royal Society study accepts that the growing quantities of plutonium at Sellafield

are carefully stored and guarded. None the less, "the stockpile can be viewed as a strategic and environmental risk, as well as an open-ended legacy for future generations".

The two greatest nuclear powers, the United States and Russia have agreed that their surplus military plutonium should be converted into a form that is extremely difficult to turn into nuclear weapons. Britain's stockpile does not conform to that standard.

The Royal Society report says the British government and its state-owned nuclear power industry have no credible, long-term plans for reducing the plutonium or

disposing of it in a completely safe manner. BNFL points out that it is merely storing the material on behalf of the companies which own Britain's nuclear power stations.

It could be buried in a deep underground in stable rock formations. But government and industry have spent more than £400m trying to develop such a repository for intermediate level waste, only to have the idea scrapped last year by the then environment secretary, John Gummer.

BNFL has spent £300m at Sellafield building a new plant which combines small quantities of plutonium with urani-

um to make a fuel for nuclear power stations. But there is only one British power station in which it could conceivably be burnt, Sizewell B on the Suffolk coast.

The study group urges the Government to carry out a comprehensive review using independent experts to find the best options for dealing with the mounting stockpile. Yesterday the environment minister Michael Meacher said the Government would be looking at the issues, but the plutonium was very safely stored. "This is something we have to deal with, but we're under no emergency pressure."

## Brassed off: No, it is the 'new rock and roll'

The film *Brassed Off* and an injection of lottery cash have given a welcome boost to the traditional British brass band. As the first national development officer starts work in Yorkshire, Louise Jury reports on the boom.

The sight of Lara Fitzgerald blowing on her flugelhorn was enough to give Ewan McGregor renewed hornblowing vigour in *Brassed Off*, the surprise hit film of 1996.

Telling the story of a struggling colliery band and its eventual triumph against the odds in competition at the Royal Albert Hall, it has apparently prompted renewed interest in brass band music.

And the donation of more than £11m of lottery cash in the last three years has provided instruments for 261 brass bands, many of whom had been struggling to replace sponsorship lost with the closure of the collieries and factories where members once worked.

Norman Jones, general secretary of the British Federation of Brass Bands, said the bands had never gone away, but many were now trying to encourage young people in with youth classes. The lottery cash enabled bands to buy new instruments and pass older ones on to young people who have fewer opportunities to learn to play at school. "Obviously the *Brassed Off* film helped to bring brass bands to the fore," he said.



Right note: A drive to encourage youngsters to join brass bands has been helped by a donation of more than £11m of lottery cash. Photograph: Justin Slee/Guzzellian

The *Full Monty* also featured Sheffield's Stockbridge Band.

The appointment of Peter Denton as full-time national development officer, should raise the profile of bands further. "It's part of our heritage," Mr Jones said. There are about 600 bands registered

in Britain, compared with around 2,000 in the heyday of the late Fifties and Sixties. There are possibly as many bands again who meet simply to play together or for worship, such as with the Salvation Army.

An Arts Council spokeswoman said it had only become aware of the scale of in-

terest when the brass bands began applying for lottery money. As a result, the council decided to make the brass band federation one of its clients and give a £15,000 grant to fund the development officer.

Ray Clark, secretary of the National Association of Brass Band Conductors, said

bands were strongest in the North, Cornwall and Wales with a separate revival in Scottish schools. "After the war there was a tremendous build-up of bands but then it dropped off with guitars and pop groups. Now in quite a lot of places brass bands are coming back," he said.

## Open airbag theory in Diana crash

A prematurely opening airbag may have caused the accident which killed Diana, Princess of Wales, according to a new theory which is under serious consideration by French investigators.

A doctor who studied the injuries suffered by the only survivor, bodyguard Trevor Rees-Jones, believes that the airbags in the Mercedes were already partially inflated before the car slammed head on into a pillar in an underpass in central Paris in August.

If so, the bags may have been triggered wrongly by an earlier impact, possibly a glancing collision with a slower car which crossed the Mercedes' path. This would help to explain why the driver, Henri Paul, lost control of the limousine and crashed at high speed into the central reservation pillar.

Police sources told the newspaper *Le Parisien* that the chief investigator, Judge Hervé Stéphan was taking the theory seriously and had asked for new tests on the Mercedes and its airbags this week.

At the same time Paris police have asked for a copy of a video shot by Australian tourists outside the Ritz hotel just before Diana's party left on their fateful drive.

The video shows a small white Citroën outside the hotel. Paris police say they have no reason to connect this car with the white Fiat, which forensic tests suggest may have impeded the Mercedes just before the crash. But they have asked to see the video in any case.

— John Lichfield, Paris

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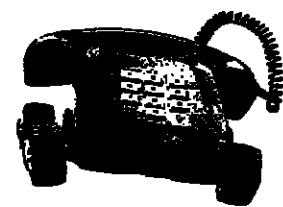
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## Join the Army, see the world, meet people – and become a luvvie

The armed forces have gone on location to help raise their profile and boost recruitment. **Fr Abrams, Political Correspondent, says they are appearing in everything from James Bond to pop videos.**

Who said there was no glamour in life in forces? No sooner had the Navy finished filming *Tomorrow Never Dies* last May with Judi Dench and Pierce Brosnan than the army was off to help Oasis shoot a video.

According to a list of engagements that is published this week, it has all just been one long whirl.

In all, the services have helped out on a total of 10 films and television series since May last year.

There was a Scottish BBC drama, *Invasion Earth*, which took 22 airmen for three months plus a Chinook and a Puma helicopter for a day. And, as for *Soldier, Soldier*, they are in virtually every episode. Carlton Productions, makers of the popular television drama, have a Lynx helicopter and crew plus a Saxon troop carrier on long-term hire from the Army.

The Scots and Welsh Guards, the Household Cavalry and 16 Air Defence Regiment have all been called on to help out at various stages.

Most were carried out at cost price. Yesterday the Ministry of Defence said its personnel were only too happy to win positive publicity and to contribute to the greater good.

Cost price, however, is not always cheap. Want to hire the frigate HMS West-

minster? That will be just £2,000 an hour. Sir. Lynx helicopter? To you, £1,500 an hour.

Soldiers, sailors and airmen come at varying rates, depending on their rank. While a private can be had for £121 a day on average, a sergeant might cost £190 and

### PRIVATES ON PARADE

Private missions: some armed forces hirings since May 1997.

Early May: HMS Westminster finishes filming the latest James Bond movie, *Tomorrow Never Dies*.

June: Two army Lynx helicopters help out the pop group Oasis with a new video, "D'You Know What I Mean?"

August-November: Twenty-two RAF personnel and a small number of land vehicles help in a BBC Scotland drama series, *Invasion Earth*.

On 17 September they are joined by a Chinook and a Puma helicopter. 3 December: A Hercules aircraft assists Jersey Wildlife Preservation Trust in moving gorillas.

16 December: A Hercules helps to rescue the Virgin Global Challenger balloon envelope after it blows away and ends up in Algeria. A Lynx, its crew and a Saxon personnel carrier are hired for the filming of *Soldier, Soldier*.

Elements of the Scots and Welsh Guards, the Household Cavalry and 16 Air Defence Regiment have also been involved in the series.

a major £300. The men get up to a fascinating range of activities.

As well as appearing in videos including Oasis's post-holocaust "D'You Know What I Mean?", there was a vast range of other hirings.

In December, for example, the RAF lent a Puma helicopter to the BBC, helped the Jersey Wildlife Preservation Trust to move some gorillas and rescued Richard Branson's balloon from an air-field in Algeria.

The Army life is not all glitz and glamour, though. In January, for example, a Chinook helicopter was sent to Minehead to remove a tree which fell on a house during a storm.

A Ministry of Defence spokesman said that no profit was made from the arrangements, and most of them were done at cost price.

"We want to make sure that we are undertaking activities which promote the MoD and benefit the wider community. Also, it must not conflict with operational or training responsibilities.

"We are also mindful of the fact that we don't take business away from other companies. So we don't charge less than an actor would charge to play a soldier," he said.

A major part of the list concerns exports, though, and it is this which will raise the hackles of anti-arms trade groups.

Companies such as Vickers, which exports to Turkey, and Alvis, which sends armoured vehicles to Indonesia, featured among those helped by the Royal Artillery Export Support Team, which went all over the world to assist British arms companies.



Shooting stars: Actors in *Soldier, Soldier*, with air support courtesy of the armed forces

Photograph: Carlton TV

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## Council to sell El Greco, Goya to stop budget cuts

The Royal Academy's latest exhibition is showing the public the treasure stores of the regional museums. But many collections are starved of funds, like that at Barnard Castle which Simon Tait says is threatening to sell some of its finest works to keep the wolf from the door.

Durham County Council is threatening to sell art treasures from one of Britain's leading regional museums, including paintings by El Greco, Goya, Turner and Canaletto, to stave off budget cuts.

The pictures, which could raise much more than the £5-£8m the council needs to find, could go for auction if the Government does not step in.

The paintings usually adorn the Bowes Museum at Barnard Castle, but eight of its most im-

portant ones are on show in the Royal Academy's exhibition, "Art Treasures of England", partly mounted to highlight the plight of some regional collections. They include Goya's *Don Juan Antonio Melendez Valdes* and El Greco's *Tears of St Peter* - bought by the museum's founders in the last century for just £8.

Durham, whose arts, libraries and museums committee meets later today to decide whether to push recommendations through, are also proposing to close the Bowes for five months from November to save £35,000.

The museum was built by John and Josephine Bowes to house their collection and opened in 1892. Last year, it was designated as being of national importance by the Museums and Galleries Commission.

Alan Borg, director of the Victoria and Albert Museum in London, said: "The Bowes collection is stuffed full of master works of one sort or another whose overall value to the mu-



Fundraiser: El Greco's *Tears of St Peter*, now on show at the Royal Academy, is on the list of pictures from the Bowes collection that Durham council could sell

Photograph: David Rose

seum runs into millions, but the value to the nation is beyond price. It must be kept together ... and we will do whatever we can to help ensure that."

The threat to sell is a direct challenge to the Government

and to Chris Smith, the Secretary of State for Culture, Media and Sport, who has commissioned a review of museums funding which is due to report in the summer. Last autumn, the Government failed to honour an

election pledge to abolish museum admission charges.

Patrick Conway, director of arts and museums for Durham said: "It is a very unpleasant decision we have to make, but year on year we have had to find cuts

which have included closing 24 libraries. "We have been talking to the Government about them taking national responsibility for the Bowes collection, as they have for collections in Tyne and Wear and Manchester and York.

They agree that the Bowes pictures are of international importance and deserve support but that if they provide funding something else would have to be cut so we have got nowhere."

Income from the sale of

paintings would be used to create an endowment fund for the future upkeep of a museum. Mr Conway added: "I want to make it plain that this is a very, very last resort. I don't want to have to do it."

## Schools to teach creativity

Children should learn to be creative and artistic in schools, David Blunkett, the Secretary of State for Education said yesterday.

He announced a new national committee on creativity just three weeks after the Government said it was cutting back the primary school curriculum to give more emphasis to the three Rs: History, geography, music. PE and art teachers have all protested that their subjects are in danger of being squeezed out of the timetable.

Mr Blunkett told the Education, Culture and Social Affairs Committee of the European Parliament in Brussels that the new national advisory committee would consider how schools could foster creativity.

The committee, which will be chaired by Professor Ken Robinson of Warwick University, includes Sir Simon Rattle, the conductor, Benjamin Zephaniah, the poet, Sir Harry Kroto, the Nobel prize winning scientist and Jude Kelly of the West Yorkshire Playhouse.

Creative industries are worth around £50bn a year and generate around £10bn in exports.

Mr Blunkett said: "Our top priorities must continue to be literacy and numeracy. Without these basic skills, no child can gain maximum benefit from the rest of the curriculum. However, in the workforce of the future, I have always recognised that creativity, adaptability and communication skills will also be vital."

— Judith Judd, Education Editor



Blunkett: Committee to look at fostering creativity

## Labour tells firms to recognise unions

Despite its public stance of keeping trade unionists at arm's length, the Government is forcing companies to recognise unions, confidential documents reveal. Barrie Clement, Labour Editor, discovers that Old Labour lives on.

Businesses hoping to run hospitals under the Government's Private Finance Initiative have

been told that they must recognise the unions. Even companies like IBM, which is determinedly non-union have been left in no doubt as to what is expected of them.

Department of Health officials have told union representatives that companies will have to abide by key standards over employee relations, including union recognition. A memorandum of a meeting last November in Whitehall says: "Individual [NHS] trusts who departed significantly from

the standard would be unlikely to obtain approval of their business cases."

The policy on union recognition has emerged in discussions to establish a privately financed hospital at Barnet, north London, run by a consortium which includes IBM. The computer giant, through its recently acquired subsidiary Data Sciences, will be running the hospital's information technology and medical records system.

Initially the company pointed to its non-union policy, but

has been told to sign a deal with Unison, the public service union, by next Tuesday or risk losing its contract.

In a letter to the union, Alan Milburn, minister of health, said: "I can assure you that I take very seriously indeed the question of trade union recognition where staff transfer from the NHS to the private sector as part of the PFI deal."

The Department of Health's initiative will make the obligation to recognise unions difficult to escape.

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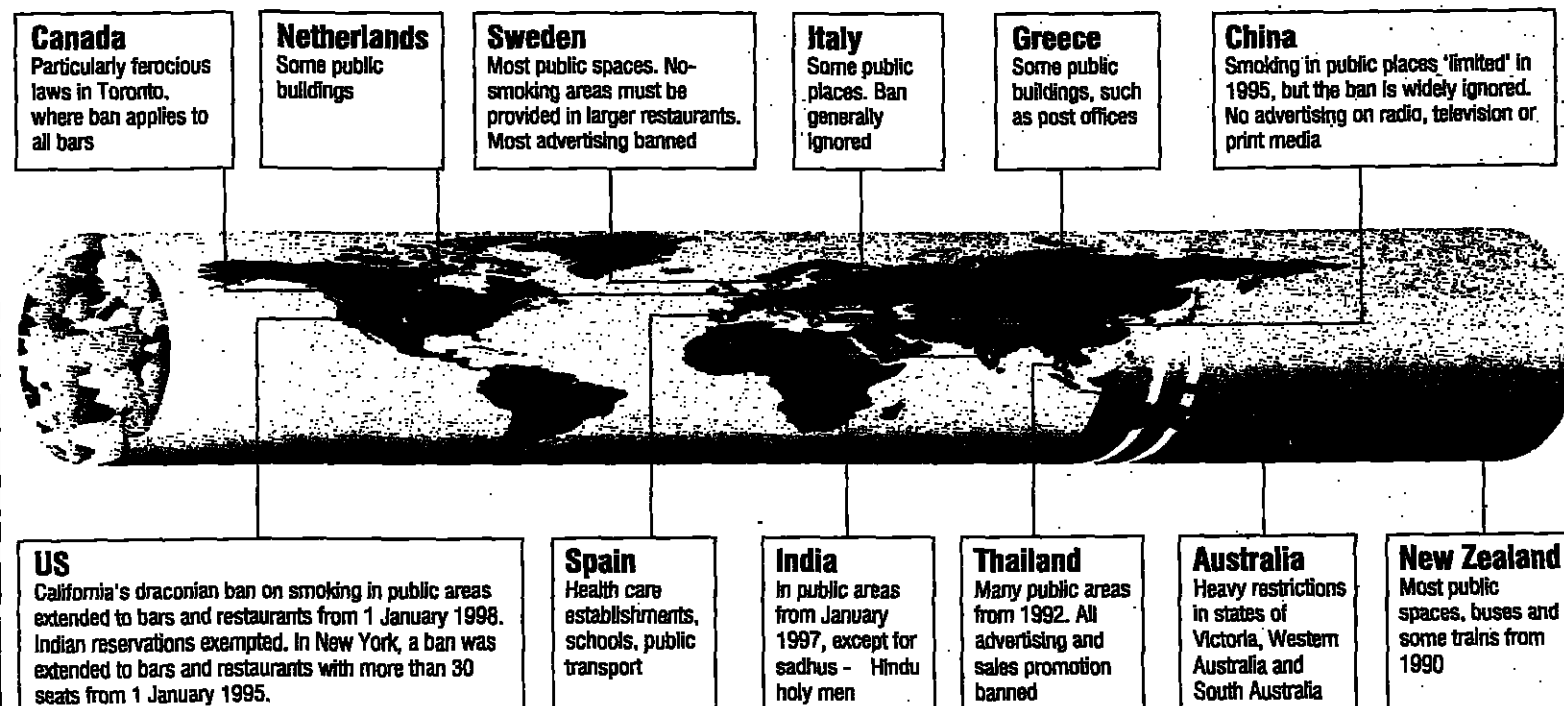
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PHILIPS AND INFORMATION CORRECT AS TIME OF GOING TO PRESS 04/02/98.

## It's cool, it's cheap – but can Germany kick the habit?

### WHERE IN THE WORLD ARE THE SMOKE FREE ZONES?



Information supplied by ASH



I can't help it: Actress Marlene Dietrich in classic pose; almost 70 years on, a protection bill for non-smokers in Germany may be stubbed out by MPs, most of whom smoke



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You never know what you may pick up in a German hospital. A friend who had given up smoking before a recent operation re-emerged from the ward two weeks later with a cigarette in her mouth. "There was a vending machine on every floor, and a smoking lounge at the end of the corridor," she explained. "What was I to do?"

Despite the German obsession with health, cleanliness and the environment, there cannot be many other places on Earth where it is so difficult to kick the filthy habit. Germany is the last outpost of Marlboro country, the only place in the West, with the exception of Portugal, where more cigarettes are lit up today than 20 years ago.

Fags are cool, cheap and available everywhere. No pub-goer should be seen without one. It is every German's inalienable right to light up wherever he or she fancies.

But now all this may change. After 20 years of intense discussions, members of the Bundestag will be called on to vote today on a proposal to banish smoking from public buildings, work-places, trains, buses and aeroplanes. It has taken them four years to agree on the wording of the new "non-smokers' protection bill".

If the law is passed, employers, restaurants and pubs will have to set aside non-smoking zones. Offenders would be liable to a fine of 100 German marks, whilst companies which do not enforce the ban would have to pay DM5,000.

There is no question of hanging out *verboten* signs in German parks California-style. The Greens' timid suggestion to thin out the ubiquitous cigarette-machines, especially in the vicinity of schools, is heading for defeat.

Yet even this modest revolution, agreed by the main parties of government and opposition, may well be stubbed out. MPs have a free vote, and most of them happen to be smokers.

The government, headed by pipe-smoking Helmut Kohl, is unwavering by the argument that non-smokers should be shielded by the law. As the health minister, Horst Seehofer, an occasional smoker, has declared: "Persuasion is better than a ban."

On the opposition benches, too, the "persuaders" rule the roost. Most Social Democrat leaders enjoy the odd puff. Gerhard Schröder, who represents the greatest threat to Chancellor Kohl's re-election prospects, sports his giant cigar as an emblem of virility.

The tobacco lobby has conducted an energetic campaign, arguing that a curtailment of cigarette consumption would hit tax-payers. Excise duties add up to more than DM20bn every year. The tobacco companies have calculated that, if every existing smoker could be persuaded to go up to two packets a day, the income would take care of Germany's defence budget.

Lack of public commitment to health campaigns is one reason why many Germans do not seem to be worried about the risks of smoking. That and the burden of history. As the tobacco industry's public relations people keep pointing out, Hitler was the last person to try cleansing Germany of the habit, and look where it got him. Even his girlfriend, Eva Braun, would sneak out of the bunker for a quick drag in the dying days of the war, and then cover up her guilt by consuming copious amounts of mints. Adolf, apparently, never found out.

— Imre Karacs, Bonn

### Outside world chooses new flag for Bosnia

Bosnia's feuding Muslims, Croats and Serbs were unable to agree on a new flag for their divided country yesterday, so the outside world chose one for them. Carlos Westendorp, the International High Representative for Bosnia, stepped in after the internationally-imposed deadline expired for Bosnia's parliament to choose one of three designs.

Flags, number plates and coats of arms are the stuff of wars in Bosnia, where the three communities cling passionately to their national symbols – an eagle for the Serbs, a fleur-de-lis for the Muslims and a chequerboard for the Croats. Mr Westendorp's flag rides roughshod over the old icons of statehood; his design is a yellow triangle with a line of white stars on a blue background. "The triangle represents the three constituent peoples of Bosnia and the blue and the stars represent Europe," his spokesman said.

The flag will be used for the first time by the Bosnian team competing in the Winter Olympics in Nagano, Japan, this weekend.

— Marcus Tanner

### US military 'broke rules' on low flying

Italian government ministers visiting the mountain resort in the Dolomites where a cable-car was knocked down by a US military aircraft yesterday accused the US military of "a clear violation of the rules" in allowing one of its planes to fly perilously low to the ground in a tourist area.

Echoing the anger and grief felt by the people of Cavalese, where 20 people – including a 13-year-old boy – died in the accident, the Italian Defence Minister, Beniamino Andreatta said there had been no excuse to run a low-flying training mission with a plane that is designed for radar-jamming operations from high altitude. Furthermore, he said, the aircraft had violated rules drawn up in 1955 that forbade planes to dip below 2,000 feet from the ground.

"To have to number and inspect body bags, and think that all this happened because the rules weren't followed is just terrible," Mr Andreatta said. The Prime Minister, Romano Prodi, echoed his sentiments, calling the accident the result of "tragic recklessness".

— Andrew Gumbel, Rome





# 12/IRAQ CRISIS

## Angry Yeltsin warns Clinton he risks a third world war



The Blairs flew into a very different US last night than the one they might have anticipated visiting a week ago. There is every chance that the matter of the threatened war with Iraq will nudge President Clinton's sex life from the top of the news agenda. Mary Dejevsky in Washington asks whether the old rapport will be renewed.

When Tony and Cherie Blair arrived in Washington for the first full-dress new Democrat-Labour summit, the back-room organisers had much to be thankful for.

First, the summit was taking place as planned – and even a week ago, that could not have been predicted with any certainty. Secondly, Mr Blair would meet the President he had expected to meet, the President with whom he had so quickly established a personal and ideological rapport last year, the President who had deferred so graciously to his younger, newly elected host in London last June. Thirdly, the American media frenzy over the White House sex scandal had subsided enough for Americans to have at least half an eye out for something different. The visit would not be totally obscured, to put it delicately, by other matters.

Fourthly, the dispute with Iraq, which is portrayed in Wash-



Face-off: Presidents Bill Clinton (top left) and Boris Yeltsin; and Iraqi volunteer soldiers in Baghdad Photographs: EPA/AF

ington as more serious than perhaps at any time since the end of the Gulf War seven years ago, provides a near-ideal topic for today's British-US talks. There is enough difference in emphasis to afford a discussion and sufficient agreement to fuel a "strongly worded" joint statement. Moreover, the distance between the British-US position and that of many other countries, European countries included, permits both sides to revive talk of the "special relationship".

The close political relationship between Downing Street and the White House since Mr Blair was elected, the frequent phone calls and the personal bonhomie between the first couples were hammered home by British and US officials in advance of the visit, with both sides stressing the unusual length (three full days) of the Blair's stay and the session set aside for Clintonite "policy-working" – free discussion of political ideas – at the presidential retreat of

Camp David, to which advisers and wives are invited.

This does not mean that the visit is free of risk, either for Mr Blair or Mr Clinton. Britain is not as convinced as America that existing UN Security Council resolutions are sufficient legal justification for a military strike against Iraq. As Mr Blair's dodging of a question on this subject during a pre-summit interview with US journalists showed, this is still a contentious question. So is the degree to

which Iraq should be given hope of an end to sanctions.

When the Foreign Secretary, Robin Cook, visited Washington last month, he appeared to defer to the view of France and some other European countries in saying that Iraq needed hope that, if it complied with UN resolutions, sanctions would be lifted. Some US statements have taken a harsher stance. The distinction made by British officials between his visit, which was presented in the framework

of Britain's presidency of the EU, and Mr Blair's visit, which is primarily bilateral in character, could pave the way for Mr Blair to articulate a harder British line on Iraq – at least for presentational purposes.

If Britain were seen to be too unconditionally in favour of US action, this could impair its continuing efforts at the UN to mobilise support for the US position.

Public unity on Iraq, however, along with broad agreement on such topics as Nato expansion, a continued international presence in Bosnia, and US backing for the Irish peace talks, is unlikely to divert the American media's attention from the Clinton sex scandal. Small matter that the Blairs, the very model of "family values", are the ideal White House guests at this point.

The US media anticipates with some excitement the joint leaders' press conference. Scheduled for tomorrow morning, to catch peak evening television viewing in Britain, it will be the first time Mr Clinton has answered reporters' questions since his first, hesitant denials of the alleged Lewinsky affair.

It is unlikely that there will be no questions on this subject. The risk for Mr Blair is either that he is sidelined, as was Yasser Arafat, whose Washington press conference two weeks ago coincided with the start of the scandal, or that "family values" questions will also be directed to him, perhaps with reference to his Foreign Secretary, and that the substance of the summit will be obscured. At least, if Mr Blair finds himself facing sex questions, he has had ample time to prepare his riposte.

## Apocalyptic vision expresses Russia's mood of resentment

Boris Yeltsin lashed out at American preparations for war in the Gulf yesterday. Later he spoke by telephone to Tony Blair. Anthony Bevis and Phil Reeves report.

fiance from Baghdad, while Mr Yeltsin – who also yesterday spoke by telephone to the French President, Jacques Chirac – continued to press for a diplomatic solution still being sought by the United Nations.

Mr Blair's spokesman said he and President Yeltsin agreed on the seriousness of the situation, and agreed that all diplomatic channels should be exploited to bring Saddam back into line. But Mr Blair said that in the event of failure, the threat was real and force would be used if necessary.

It is the fear that this might happen which sparked Mr Yeltsin's comments. Although his spontaneous remarks have caused havoc among his officials in the past, his latest utterances belong in a different category.

Though emotive, they were in line with Kremlin policy which has consistently opposed military force as a means of compelling Iraq to open up sites to UN weapons inspectors.

They were also in tune with the mood in the State Duma, the lower house of parliament, which is simmering with resentment and suspicion about the US role in the crisis.

"Yeltsin is clearly aware of the mood," said one Western source. "He is reacting to it emotionally, but without a shift in policy."

The President is clearly keen to serve a reminder that, despite its post-Soviet decline, Russia still has an influential role to play on the world stage.

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## as fresh claims emerge of chemical and germ weapons

Blair warning of Saddam's  
Armageddon armoury

Iraq still has a vast armoury of chemical and biological weapons, Britain said yesterday, as Robin Cook left for meetings with his counterparts in Saudi Arabia and Kuwait.

"Iraq has built up an appalling stock of weapons," he said. "We must be certain that they are totally eradicated and cannot be rebuilt." In Commons exchanges with William Hague - who backed the Government - Tony Blair said there was evidence the Iraqis had lied and tried to deceive the world about their weapons of mass destruction. "This isn't a test of international veracity or machismo. It is a genuine desire to make sure we enforce the conditions necessary for peace. If we don't stop him doing this, there is every possibility he will develop these weapons of mass destruction and... use them."

The Foreign Office gave MPs a briefing document on the Iraqi armoury, based on the latest work by the UN Special Commission (Unscm), responsible for overseeing the destruction of Iraqi weapons. The paper showed Iraq might still have at least two Scud-type missiles with chemical and biological warheads.

Unscm inspectors also failed to account

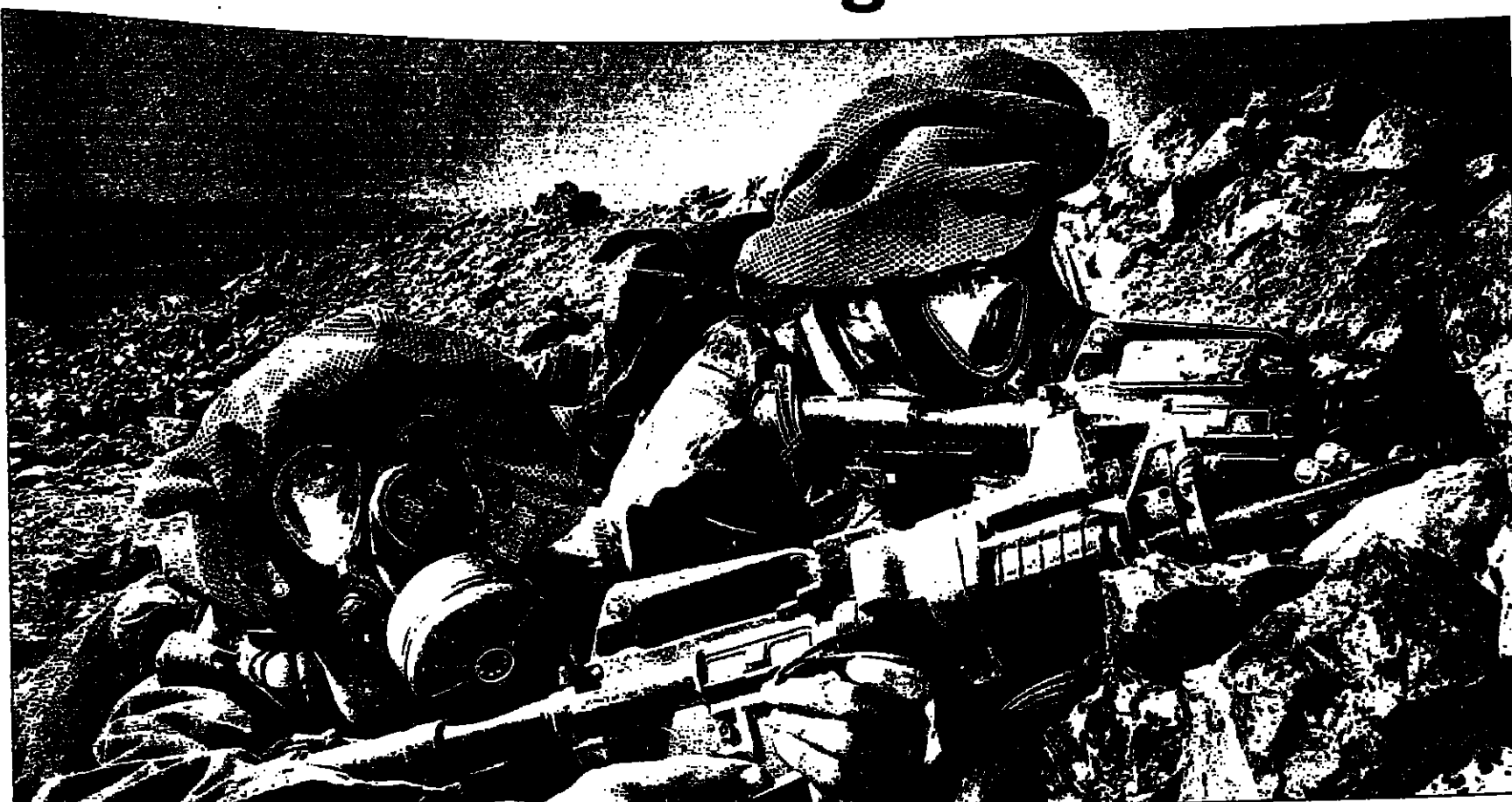
for 600 tonnes of VX nerve-agent precursors which could be used to produce 200 tonnes of the agent, enough to wipe out the world's population. In addition, the Iraqi chemical weapons programme, which Foreign Office sources said was operating on "an enormous scale" before the last Gulf conflict, was not fully accounted for: 4,000 tonnes of precursors used in the production of the weapons have not been found or destroyed. Most alarmingly, the inspectors have not been able to find an estimated 17 tonnes of growth media used for biological warfare agents, enough to produce 25,000 tonnes of anthrax.

Foreign Office sources said a relatively small amount of anthrax released from the top of a tall building could wipe out the population of a large city.

They said the work of the Unscm inspectors had been hampered by "constant Iraqi deceit, concealment, harassment and downright obstruction".

Nevertheless, they admitted they had no positive evidence that the Iraqis were currently engaged in any production of chemical or biological weapons at specific sites.

— Ian Burrell



War footing: Israeli soldiers training yesterday, equipped for possible chemical and biological-weapon attacks should a conflict break out

Photograph: AP

Despite some signs of compromise from Iraq, the momentum is building towards war in the Gulf. Patrick Cockburn analyses the rationales of both sides.

Diplomatic efforts to avert a renewal of the Gulf war reached a critical point yesterday, with Iraq showing itself willing for the first time to allow the inspection of eight of President Saddam Hussein's palaces. In Washington, planners are focusing on 17 February as the best date to launch an air offensive against the Iraqi government.

The argument for that date appears to have less to do with having enough aircraft and missiles in position than the need for the US and Britain to be seen to have exhausted diplomatic means to resolve the crisis over the inspection of Iraq's non-conventional weapons. The US has already said the assault will be sustained and will target chemical and biological-weapon facilities, command-and-control centres and special Republican Guard units.

In Iraq, there are signs President Saddam may want to compromise over access

to eight of his palaces. Baghdad has proposed that each of the 15 members of the UN Security Council would appoint five inspectors; the 21 countries represented on the UN Special Commission (Unscm), which oversees the weapons inspections, would then each appoint two more. They would be allowed to bring what equipment they wanted and could inspect each palace for a month.

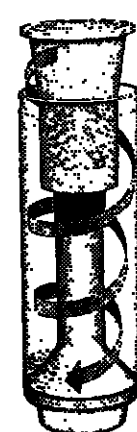
The US and Britain will be suspicious of this offer on grounds that it seeks to marginalise Unscm, which they are demanding should have unfettered access. There are signs both sides are behaving cautiously. Brent Scowcroft, US national security adviser during the Gulf war, said he was doubtful if even a big air strike would persuade the Iraqi leader to allow inspections: "We bombed him heavily, more heavily than we can now, for 30 days before the start of the war and he didn't change his ideas about anything." More visceral advice came from Trent Lott, US Senate Majority Leader: "Take out the palace guard - take out the palaces. Take out every target and hope that you can put one missile down at an event or a building where Saddam Hussein is."

The US and Britain have denied they intend bringing down the Iraqi leader, but

his enemies will ask if sustained bombing could lead to his overthrow. Laith Kubba, an Iraqi intellectual, says: "They have a slight chance to break the grip of the regime on the army. But... I don't think they will do it. Their objective is to see Saddam comply with UN resolutions, not destroy him. Also, they would like to see the army as the backbone of any change in Iraq."

In November last year President Saddam compromised at the last moment and readmitted US inspectors; he might do so again. His aim would be to weary the US and its allies by repeated crises. Mr Kubba says Iraq, in contrast with its behaviour, accepted the new oil-for-food plan of Kofi Annan, UN Secretary-General, more than doubling oil exports to \$5.2bn every six months. He concludes: "The signals are Iraq wants to defuse, not escalate the crisis."

Precedents are mixed. In 1996 President Saddam sent tanks into the Kurdish capital, Arbil, at the invitation of one of the Kurdish factions. He withdrew swiftly and suffered a few missiles fired into southern Iraq. In November last year he was again careful about how far he would defy the UN. But, as his refusal to withdraw from Kuwait in 1990 showed, he is also a macho politician, and 17 February is 12 days away.

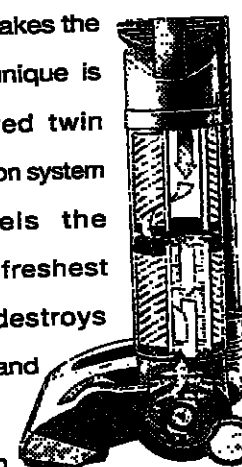
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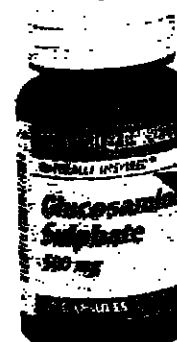
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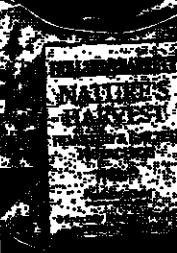
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## Tanks and soft words in Sri Lanka

Celebrating Sri Lanka's Golden Jubilee yesterday with the most downbeat speech imaginable, President Chandrika Kumaratunga said, "We have failed... to build a strong and united nation. The silent majority watched in horror whilst a great nation... veered into a terrifying era of ethnic, political and social violence."

There was, she insisted, only one more chance to get it right. "We have missed many chances. We cannot... miss this one last moment, rich with opportunity."

But these words were followed by a relentless display of military muscle. As well as tanks, ex-Israeli attack jets and Antonov transport planes, some 4,000 men and women in uniform were on display.

This dual approach, speaking softly but carrying a big stick, has marked out Mrs Kumaratunga's period in office. Her words to the disaffected Tamil minority, some 3 million out of a total population of 18 million, has been unprecedentedly conciliatory. But meanwhile she has prosecuted the war in the north with fierce determination. If the claims of both sides are to be believed, more than 600 soldiers have died around Kilinochchi in the far north in the past week.

The subtext of Mrs Kumaratunga's brave but gloomy words is that she came to power on a programme of constitutional reform including a promise to devolve power to the regions "as a political solution to the ethnic problem". But her plans have been thwarted by the (Sinhalese) opposition, so she plans to put her proposals to the nation in a referendum.

Yesterday's celebration was as subdued as the tone of the president's speech. Res-

idents of Colombo grumbled that Mrs Kumaratunga was celebrating Sri Lanka's independence by putting the population of the capital under house arrest. All roads in the city were closed to private traffic, and anyone venturing out of doors was subject to endless checks and searches.

Public buildings were strung with coloured lights, yet the city might have been abandoned after a plague for all the life there was. The Golden Jubilee celebration had been switched to the lakeside parliamentary complex following the suicide bomb blast that damaged Kandy's most important temple, the intended site, 10 days ago. Only ministers, the diplomatic community and the media were allowed to witness it; a few hundred citizens watched behind railings a quarter of a mile away.

Prince Charles, the guest of honour, donned sunglasses and buried himself in a book as the president's speech was declaimed in three languages. In muggy heat, amidst sterile modern surroundings, the parade of floats and dancers seemed almost as dutiful as the military display that preceded it.

The scale of Mrs Kumaratunga's difficulties became clear when moderate Tamil parties in parliament, including the Tamil United Liberation Front, boycotted the celebration, despite her conciliatory statement that "since 1948 the Tamil population has been discriminated against" and that there was therefore nothing to celebrate.

Meanwhile, the celebration at Batticaloa on the east coast was broken up by a Tamil Tiger attack. At least 20 people were injured.

— Peter Popham, Colombo



All smiles Alicia Machado (centre) celebrates after winning the 1996 Miss Universe title. Now a soap star in Venezuela, she has weightier matters on her mind

## Miss Universe's dream turns into a soap opera nightmare

When Miss Universe 1996, Alicia Machado, was asked about her plans, hopes and dreams, she was smart enough to keep the true answer to herself: to tuck into her beloved two-tiered hamburgers, large orders of chips and strawberry milk shakes after months of pre-pageant fasting.

She wasted no time in living the dream until she put on two-and-a-half stone, could no longer fit into the dresses traditionally considered appropriate and there were calls to take back her crown. With a little help from friends such as Miss Universe pageant becker Donald Trump - who de-

scribed her as "an eating machine" but encouraged her to work out in a New York gym - she survived that hullabaloo. Now she faces a new crisis which could force her to fight her weight problem behind bars.

Ms Machado, 21 and a popular soap opera star, has been accused of driving the getaway car in an alleged Bonnie and Clyde-style attempted murder and baby-snatching in her native Venezuela. Her boyfriend, Juan Rodriguez, is accused of shooting his dead sister's husband, Francisco Sbert, and trying to kidnap the couple's 11-month-old baby son. In a nation

where beauty pageants are virtually a religion the case is being followed with more drooling than Ms Machado's soap opera.

According to the accusation in the private criminal case, a feud between two of Venezuela's most powerful families erupted over custody of the boy last November after Rodriguez's sister, Maria Clementina, killed herself. The Rodriguez family, with longtime political connections, blamed Mr Sbert for driving her to suicide.

Outside a Caracas church, after a memorial service for Maria Clementina, Mr Rodriguez allegedly pulled a gun, shot

and wounded Mr Sbert, tried to grab the boy and sped off in a car driven, according to witnesses, by Ms Machado.

When questioned by reporters, the former beauty queen appeared to imply she had been at the scene. When called before a criminal court judge last week, however, Ms Machado said she had been at home sick at the time. A judge is deciding this week whether Mr Sbert's lawyers and witnesses have produced enough evidence for a prosecution.

— Phil Davison  
Latin America Correspondent

## Fears over ceasefire as Armenian president quits

A pulse of alarm swept outwards from the Trans-Caucasus through Moscow and Washington yesterday as the contours became clear of the political crisis in Armenia.

The resignation of President Levon Ter-Petrosian was widely viewed as a triumph for nationalists who oppose compromise in the settlement over Nagorno-Karabakh - the issue that led to a war with Azerbaijan in which 25,000 died. The tension was such in the region yesterday that his Azeri counterpart, Haidar Aliyev, called an emergency meeting of his Security Council. Afterwards he pledged to uphold the ceasefire which has held for more than three years.

The departure of Mr Ter-Petrosian, a 53-year-old former academic, marks the end of a presidency in which he squandered his early reputation for being a democrat by clamping



Ter-Petrosian: Russian ties

down on his opponents. His reelection in 1996 was marred by allegations of vote-rigging. He presided over a period in which the nation of 3.5 million people nose-dived economically and watched in alarm as the United States, once an ardent supporter, was drawn by Caspian oil to woo neighbouring Azerbaijan.

Washington was not alone; every other country (except

Armenia) in the region stands to benefit directly from the oil.

Fearful of isolation, Armenia found itself refurbishing its traditional ties with Moscow and Iran, the chief source of its consumer goods. Yesterday Boris Yeltsin underscored the relationship: "We must not not, and shall not, lose Armenia," he said after expressing regret at the president's departure.

But the unsettled issue of Nagorno-Karabakh, a mountainous enclave of ethnic Armenians which Stalin placed in Azerbaijan, overarched everything. Mediation attempts by the Minsk Group of the Organisation of Security and Cooperation in Europe - chaired by France, Russia and the US - have so far failed to resolve the key issues, which include a demand by Azerbaijan for the return of a large swathe of Azeri territory seized during the war.

— Phil Reeves, Moscow

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## Airline takes flight to new-age headquarters

British Airways has spent £200m on a new headquarters in west London. Following the controversial change of its tail-fin logo, the structure by Norwegian architect Niels Torp represents not just a new way of working for 3,000 staff but part of the revamp of the airline's corporate identity for the 21st century.

British Airways' new HQ for 3,000 employees is the size of a small town, but on a site as big as Regent's Park. The building which looms lightly and white out of the sulphuric suburbs in the slipstream of Heathrow Airport is so large at 5,300 square metres that BA call the six horse-shoe-shaped office blocks after continents. Cherry trees blossom in the courtyard of the Orient, eucalyptus in Australia. American hardwood sapling take root outside the Americas and birch saplings signpost the European section. Each are themed for different BA destinations.

So now that it has landed, was the building worth it? It has been designed by Niels Torp at a time when BA has tried to reinvent itself from being a sober-suited, navy-and-grey airline flying the flag to a funky, global, get-together. Robert Ayling, chief executive, describes the change as a "move away from a rather arrogant and self-important image". The airline's new identity is British but modern. Global but caring.

It's difficult to convey all that emotion on a tall fin – only 80 of the 300 feet have the dramatic Kalahari desert dunes or calligraphic swirls from around the world that Newell & Sorrell chose for the new livery – but nearly impossible to set in concrete. Yet Torp has managed it. Six limestone-clad buildings angled like cliff faces around a glacial glazed core make working more recreational.

The building should have been ready in December but it is now due to be opened in May. The management, however, reel-

ing from flak for launching discounted services called Go British Airways upped and went there. It was shelter from that particular storm, and shelter, with all its connotations of comfort and a safe house, is very much what Torp's building is about.

It also epitomises Robert Ayling's concept of work, while embodying the clear corporate image of BA.

This is a world where your desk can be fitted on to your lap-top, plus bins, paste and scissors, even filing cabinets, are icons on the screen.

Ayling indicated he wanted a building that would be a catalyst for change for the airline, transforming the way it does business. He wanted to ensure a better flow of information and better ways of exchanging

Stiletto-shaped walls of the office blocks, staggered like sharks' teeth to run on both sides of this atrium, accessed by glass lifts and walkways connecting the two wings across the atrium.

There is no hologram greeter. No bouncers but a gurgling stream flowing from the entrance to the electronic gates to divert visitors. Micro-climates with colours and textures and plants to suggest different environments.

Wavy floor plans sketched by the architect owe more to mutating spirograph than grid plans. To use a computer phrase, they morph. Spaces are fluid and designed to entertain with cafés, travel shop and somewhere to sit – the ideas Torp pioneered in 1980 at the SAS offices in Stockholm. Cited by Frank Duffy, architect and author of *The New Office*, as one of nine blueprints of the future, it influenced the BA judges' decision to award him the contract after a competition in 1989.

Ribbed plywood furniture shaped like airport carousels and slinky curvaceous benches in pearwood, American oak or maple create little oases around the BA complex. Designed by Torp, they are more attractive than those ergonomic stools for bad backs for which Norway is known on the international chair fair circuit.

Ervin Nisslan, the project director since June 1993, calls it a Utopian concept. "Throughout we have worked with the graphic designers Newell & Sorrell and British Airways in a common effort to share ideas, break down barriers and have respects for cultures and human beings. This building is a tribute to human beings and ways of working in groups and interaction, both when it comes to work and global attitudes."

So Newell & Sorrell didn't unceremoniously dump the client's quaint but irrelevant trademark when they replaced the flag with a flash marquee. They introduced a new attitude. A lighter touch with more dynamism that wraps around the world. More than a typographic or geometric solution, the creative team have established goals for the airline for the 21st century.

BY NONIE NIESEWAND

ideas between people in a less formal environment. Staff have undergone a training for new ways of working, which included hi-tech document management, aimed at minimising the use of paper.

Hot-desking, that fast-lane accessing of terminuses by anyone with the password, was invented by the airline industry at check-ins. It frees floorspace from clunky power-dressed contract furniture. BA offices are open plan-ish, with half-partitions that never block the view. Even Ayling does not have an office. Throughout the entire 175-metre atrium that connects these offices, the sky is beamed down, uninterrupted by girders or even the walkways between floors which are made of glass.

Torp sees big buildings as a town. "A town is like a big house and a house is like a small town," he believes.

A sandstone broadwalk, 175 metres long, as big as three Jumbos nose to fin, is set about with trees, pavement cafés, newsagents, florists, cash machines, restaurants.



Taking off: British Airways' new headquarters at Hammersmith in west London, which opens officially in May. The six horseshoe-shaped blocks are named after the continents and have micro-climates represent different environments. Photographs: Tom Pilston

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## £10 Conran lunch

The Independent and Independent on Sunday in association with Terence Conran are delighted to offer readers the opportunity to enjoy lunch or early evening supper at six of London's top restaurants throughout January and February for £10

From Monday January 5th until Saturday February 28th, the following establishments are offering readers a two course lunch or early evening supper for just £10 per person.

### How to Book

To participate in the offer simply collect one token (tokens will be printed every day until Saturday February 28th) and then telephone the restaurant of your choice quoting yourself as an Independent diner. On your arrival at the restaurant you should present your token in order to qualify for the offer. Each token is valid for a complete table booking. The tokens will be valid for one week only, and will be dated accordingly. To continue to participate in the offer, simply collect a token from the week in which you wish to dine. Pre-booking is essential and all bookings are subject to availability.

A special discount is available on selected items in the Bluebird and Le Pont de la Tour shops on presentation of the token.



MEZZO



## A prescription to warm the world's backsides



Reviewing London's most fashionable restaurant, the Pharmacy, for the *Evening Standard*, author Sebastian Faulks was reminded by the bar stools of the fact that Aristotle Onassis had stools on his yacht upholstered with whale foreskin. He didn't know what Damien Hirst has his covered his with. "I didn't ask," he confessed. "I can tell him. Scottish wool woven on an island in the Clyde estuary. There's no comparison," says Jasper Morrison, the



Sitting pretty: Bute upholstery at the London restaurants Pharmacy and Lawn Terrace. Photographs: Richard Leary

British furniture designer, star of international fairs from Cologne to Milan and designer of the Pharmacy's elegant upholstered dining chair, holds up fabric swatches to show why muted woollen weaves from Bute are best. As a minimalist with an eye for neutral naturals and

Bauhaus primaries, Jasper loathes the bobbly, shiny, crinkly velours with polka dots – "like car seat materials" – that most contract furniture fabric houses supply. He visited Bute Fabrics last summer with some of Europe's best known designers – Matthew Hilton, Andrew Stafford, Terence Woodgate and Tom Dixon. Sheridan Coakley, who makes their designs into streamlined modern furniture, plans to launch a collection at Milan in April using Bute weaves.

A little cottage industry started by the 6th Marquess of Bute after the Second World War, the company has now become a player in the international furnishing fabrics market. Travellers will spot the warm woollen weaves in airports from Brussels to Kuala Lumpur. And Sir Norman Foster ordered 10km of Bute woollens for his new airport, Chek Lap Kok in Hong Kong.

— Nonie Niesewand



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Mezzo 100 Wardour Street, London, W1V 3LE  
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Quaglino's 16 Bury Street, St James's, London, SW1Y 6AL  
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The special 3 course menu is available between 12noon and 7pm between Monday and Wednesday the offer is extended until 11pm\*

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\* Closed from 6pm on Sunday. Offer not available after 6pm on February 1st

# 16/OBITUARIES

## Nicholas Saunders

Nicholas Carr-Saunders, writer and businessman: born Water Eaton, Oxfordshire 25 January 1938; (one son by Britt Nicca); died Koonstadt, South Africa 3 February 1998.

Nicholas Saunders was a pioneer of the wholefood movement and the man behind the development of Neal's Yard in Covent Garden (people who came up to him there often addressed him as Neal). In the Seventies he was the author of *Alternative London*, a guide to alternative living, and in the Nineties of *E for Ecstasy*, a study of the new drug culture. Saunders was always conscious of a trend.

He was born in 1938, at Water Eaton Manor near Oxford, a youngest son, born late in life to his academic parents. His father, Sir Alexander Carr-Saunders, was from 1937 to 1956 Director of the London School of Economics.

Nicholas was educated at Ampleforth College, in Yorkshire, and completed two years at Imperial College, London, before leaving without a degree. He disliked authority and preferred to study the subjects he was interested in. From early childhood he had a curious mind; he was anxious to find out how things worked and how they could be changed or improved.

He was fascinated with the breaking up of the conventional life-style in the Sixties. He constructed a flat in Edith Grove, west London, so that ducks in the pond outside could

swim under a plate-glass window and into his living room, and he slept in a papier-mâché "cave". The flat became a centre for hippies and anyone with new alternative ideas. These he began to record and the first edition of *Alternative London* was brought out in 1970. It became an immediate best-seller. Further editions followed until a friend mediating in front of a candle inadvertently burnt the flat down. Saunders was ready to take up a new interest.

He had private means and in 1976 had fallen in love with and bought a warehouse in Neal's Yard, then let as a store for theatrical scenery. The end of its lease coincided with the closing of the old fruit market and the start of the new Covent Garden. Saunders knew many young people who had skills and wanted to work for themselves, and didn't have financial backing to do this. He enjoyed either starting himself or enabling others to run new ventures; and these were often soon copied elsewhere. Though always a firm buyer of ready-cooked meals from Marks and Spencer for himself, he welcomed the new demand for wholefood and by packing it in large quantities made it available at a more reasonable price.

Gradually he bought up other buildings in the yard, where he helped to finance a co-operative bakery, dairy, flour mill, apothecary and café. He planted trees in tubs, covered the buildings with window boxes so that a profusion of flowers trailed down the walls and



Alternative London: Saunders at Neal's Yard, Covent Garden, where he first opened a wholefood shop in 1976

imported white doves who fluttered overhead. In fine weather the yard was crowded with office workers, tourists and regulars eating their lunch.

The wholefood shop was sold in the mid-Eighties, whereupon, hearing about the many practitioners of alternative medicines who had nowhere to practise, Saunders decided to open therapy rooms they could hire. His intention was for each practitioner's c.v. to be available to potential patients. Two buildings at one end of the yard were rebuilt and there, having been

excited early on by the potential of computers, Saunders started the first Desk Top Publishing Studio, where people could hire computers by the hour and be given professional help. A "self-fulfilment agency" and a small restaurant were housed in the same building.

On the top floors he designed an imaginative rooftop garden and a flat where he slept in a suspended egg and arranged a padded ledge for guests. Here his son, Kristoffer, of whom he was immensely proud, slept on his regular visits from Denmark.

Nicholas Saunders spent the last years of his life investigating the drug culture and particularly Ecstasy, which he realised had become a way of life among many young people. The result was his book *E for Ecstasy*, published in 1993, followed by *Ecstasy and the Dance Culture* (1995) and *Ecstasy Reconsidered* (1996). When he died he was working on another book about drugs and spirituality.

Saunders believed that it was now impossible to ban drugs altogether; it was better that they should be used sensibly. He particularly disliked the sensational and inaccurate newspaper coverage of the subject, and regretted that politicians of all parties were unable to discuss the problem seriously.

With his partner, Anya Dashwood, with whom he had found complete happiness during the last few years, Saunders travelled all over the world gathering information for his new book. It was on the only trip that she did not accompany him that he met his death in a car accident in South Africa.

— Flora Maxwell Stuart

## Alexander Haraszti

Sándor Ritter (Alexander Haraszti), pastor and physician: born Solvadtör, Hungary 2 March 1920; married 1943 Rosalie Ben (two sons, three daughters, and one son deceased); died Atlanta, Georgia 16 January 1998.

Alexander Haraszti was the architect of Billy Graham's Eastern European visits in the 1970s and 1980s. Without his formidable powers of persuasion, charm, persistence, guile andchutzpah it is doubtful whether the American evangelist could have added the Communist world to his numerous other preaching destinations.

Multilingual, a pastor and doctor as well as a negotiator, Haraszti had the vision of creating out of Graham an evangelist to the world. To achieve this goal, he persuaded Graham to soft-pedal his anti-Communism and agree not to speak out about persecution of Christians in the Communist world.

Haraszti gained a doctorate in linguistics and was ordained a Baptist minister in Budapest in 1944. He then worked as a pastor to support himself while he and his wife completed medical studies at Semmelweis University in Budapest, where he practised medicine as well as teaching at the Baptist seminary.

During the Hungarian uprising against Soviet domination in 1956, Haraszti fled to Vienna with his family, and then to the United States. He later claimed he had left Hungary not for political motives but to be able to work in Africa as a medical missionary. He trained with the Southern Baptists, but by the time he and his wife completed the training they were deemed too old and a subsequent invitation to join Albert Schweitzer came to nothing, although he did briefly work in Ghana, Tanzania and the Gaza Strip. By now Haraszti had American citizenship. He and his wife opened a medical practice in Atlanta and he became a surgical resident at three Atlanta hospitals.

As a pastor in the early 1950s in Budapest, Haraszti had translated Billy Graham's book *Peace With God* (1953), without ever guessing he might one day be working closely with the evangelist. Their first encounter took place in 1972, when Haraszti and two Hungarian pastors were invited to meet Graham during a crusade in Cleveland.

All were keen on a crusade in Hungary, despite the obvious difficulties. Haraszti was despatched to Budapest to tackle the Communist authorities. The head of the State Office for Religious Affairs, Imre Miklos, needed some persuading, identifying Graham as a "burning anti-Communist". Haraszti was well versed in negotiating with Communist officials from his earlier days in Hungary, although this time it took five years to achieve his goal.

The limited success of Billy Graham's 1977 Hungarian crusade – during which Haraszti also served as his translator – fired Haraszti's ambition to turn Graham into the evangelist of Eastern Europe. Thanks to Haraszti's efforts, crusades to Poland, East Germany, Czechoslovakia and the Soviet Union eventually took place. Most were controversial.

Graham was widely quoted as denying religious persecution in the countries he visited, the price he was prepared to pay for the visits to go ahead. On his first visit to Hungary, Graham ignored the bulldozing of a Methodist church in Budapest. Graham's 1985 visit to Ceausescu's Romania, for which Haraszti had worked since 1978, was perhaps the most controversial, despite the large numbers of people who came to hear the evangelist. Graham remained silent on political and religious persecution there.

Haraszti was a master of backroom negotiation. Energetic and self-confident, he had no trouble switching from doctor to pastor to political troubleshooter. When Graham succeeded in gaining a meeting at short notice with the Soviet ambassador to Washington, Anatoly Dobrynin, Haraszti would not have dreamt of missing out. He began a scheduled hysterectomy a few minutes early then, leaving his juniors to finish the job, dashed to the airport to catch a flight to Washington.

In the car to the embassy, Graham told the Pepsi chief executive Don Kendall that Haraszti knew more about Eastern Europe than Henry Kissinger. For Alexander Haraszti, it was a day to savour.

— Felix Corley

## John Robinson



Robinson: abrasive

John Armstrong Robinson, diplomat: born London 18 December 1925; Head of European Economic Integration Department, Foreign and Commonwealth Office 1968-70, Assistant Under-Secretary of State 1971-73; CMG 1969; Ambassador to Algeria 1974-77, to Israel 1980-81; Minister, Washington 1977-80; married 1952 Marianne Berger (one son, one daughter); died 16 January 1998.

John Robinson was an unusually independent diplomat. He worked single-mindedly on successive negotiations to join the

European Community, with a mastery of the complex issues. But he remained wryly aloof from the smooth niceties of diplomacy, impatient of flattery and extravagance, and held strong views which he made clear to colleagues as well as opponents.

The son of a successful but modest senior civil servant, he became a King's Scholar at Westminster School, where he showed an excellent mind and a debunking streak, in a schoolboy trio who called themselves *Les Trois Cyniques*. In the post-war RAF, where he remained an airframe engineer, he worked with Italian prisoners of war who taught him Italian. At Oxford he

read Greats and surprised many friends by becoming a diplomat.

After serving in Delhi and Helsinki he became deeply involved with the European Community, in Paris, Brussels and London. He was committed to Britain's entry, while suspicious of Gaullist attitudes and relishing confrontations with the Quai d'Orsay. His opportunity came when Ted Heath made the third and successful attempt to join the Community; Robinson worked tirelessly with Heath and Sir Con O'Neill, his senior in the Foreign Office, who shared his abrasive approach. Heath would always pay tribute to Robinson's European knowl-

edge and attention to detail, which contributed greatly to Britain's eventual entry in 1973.

The Foreign Office rewarded him doubtfully, with tricky and thankless assignments; first as ambassador to Algiers, just after Opec's show of strength; then to Washington as Minister under the controversial new ambassador Peter Jay, whom they wanted to put in his place. It was a silly mis-match, which Robinson could not enjoy.

After a spell at the UN, specialising in Palestinian problems, he was surprisingly made ambassador to Israel, where he was regarded with suspicion. After that he took early retirement to

become a market gardener in France, where he had already bought land. He later retired to Switzerland for neurological treatment, selflessly cared for by his Swiss wife, Marianne.

His more conventional colleagues saw him as having stumbled on the road to a knighthood. In fact he turned down a senior ambassadorship and was bored by the pomposity and dressing-up of the grander European embassies. He was always his own man, with a rare fearlessness and probity, and he had been indispensable to the most important diplomatic achievement of post-war Britain.

— Anthony Sampson

## Attia Hosain

Attia Hosain, writer: born Lucknow, India 20 October 1913; married Ali Bahadur Habibullah (one son, one daughter); died London 23 January 1998.

The people who came to see Attia Hosain honoured at a book launch a few weeks ago could have been forgiven for expecting a subdued and fragile old lady. After all, Hosain was 84, had had a long and turbulent life and for years had been in poor

health. The launch demanded nothing of her but that she sit on stage as a sort of icon and accept the homage of her admirers, while her daughter – the film producer Shama Habibullah – read from one of her mother's early World Service pieces.

But Hosain was not one to sit back passively letting encomiums wash over her. Despite her physical difficulties, she immediately engaged with her audience, vividly sharing her emotions and memories. Her indomitability and eloquence

swept problems aside, with a degree of hauteur and a magnificent sense of style.

Those qualities must have stood her in good stead. She was born in 1913 into an aristocratic family in Lucknow – a city that is a byword for Muslim scholarship and culture. From her father she inherited a keen interest in politics and nationalism. From her mother's family of poets and scholars she drew a rich knowledge of Urdu, Persian and Arabic. Her knowledge of English came from an

English governess, and subsequently as one of the few Indian girls at an English medium school. She was the first woman from her background to take a degree at Lucknow University.

From early on she was a communicator, first through feature articles for Indian papers, the *Pioneer* and the *Statesman*, and membership of the radical Progressive Writers' Movement. The fiction came later, as a result – she recently speculated – of politics and dislocation.

In 1947, when India was

partitioned into India and Pakistan, Hosain was in London with her husband, who had been posted the year before to the *High Commission*. The division of the two countries and the separation of two religious communities caused her great pain. Immensely proud of her heritage as both a Muslim and an Indian, she chose to remain in England and bring up her daughter and son – now the film director Waris Hussein – on her own. The change brought her a career as a regular broadcast-

er with her own women's programme on the BBC World Service and a new perspective.

But the sense of damaged cultural roots never fully died away. "Here I am. I have chosen to live in this country which has given me so much; but I cannot get out of my blood the fact that I had the blood of my ancestors for 800 years in another country." It was that, she said in her last piece – to be published in an anthology later this year – that drove her to write.

In 1953, Chaito and Windus

brought out her book of short stories *Phoenix Fled*. Eight years later came *Sunlight on a Broken Column*, an evocative and carefully detailed novel which traces, via the story of young Laila, a society in transition. It was over 20 years, however, before the book was widely recognised.

Brought out of oblivion by Virago in their splendid Modern Classics in 1988, it re-established Attia Hosain in the public eye and gave her a platform which she embraced with zest.

— Naseem Khan



Hosain: indomitable

## BIRTHS, MARRIAGES & DEATHS

### BIRTHS

SWYCHER: Sir Tom and Lady Forster, Edinburgh, are pleased to announce the birth of their third grandchild to their daughter Sally and son-in-law Nigel Swycher, a brother for Emma Scott and Adam Thomas.

### DEATHS

ALLIBON: Jill Spencer. On 3 February, peacefully, much-loved wife of David and mother of Shira, Fachi and Jessamy. Family funeral. Memorial Service at St George's Church, Benenden, on Wednesday 11 February at 2pm. Enquiries and donations, if wished, payable to Mousies and Monuments Trust c/o J. Perigo & Son, Bank Street, Cranbrook, Kent TN17 3EE. Telephone 01580 713636.

### ROYAL ENGAGEMENTS

The Queen, Patron of the Lancaster Children's Foundation, visits Park House, Sandringham, Norfolk.

Changing of the Guard  
The Household Cavalry Mounted Regiment outside the Queen's Life Guard at Horse Guards, 11am.

### Birthdays

Mr Red Buttons, actor and comedian, 79; Maj-Gen Sir Simon Cooper, Master of HM Household, 62; Mr Ian Findlay, former chairman, Lloyd's, 80; Lord Gibson, former Chairman, National Trust, 82; Miss Susan Hill, novelist and playwright, 56; Professor Sir Alan Hodgkin OM, former Master, Trinity College, Cambridge, 84; The Hon Douglas Hogg MP, 53; General Sir Geoffrey Howlett, chairman, Services Sound and Vision Corporation, 68; Mr Mark Jones, Director, National Museums of Scotland, 47; Mr Denis Kennedy, chairman, Honeywell, 63; Sir Andrew Morritt, a Lord Justice of Appeal, 60; Professor Adam Neville, former Principal and Vice-Chancellor, Dundee University, 75; Mr Nick Palmer MP, 48; Miss Charlotte Ransing, actress, 52; The Very Rev Colin Semper, former Canon of Westminster, 60; Mr Michael Simpson-Orlebar, former ambassador to Mexico, 66; Mr Arthur Sulzberger, former chairman and publisher of the New York Times, 72; Sir Rodney Sweetnam, former orthopaedic surgeon to the Queen, 71; Mr David Turner, cricketer, 49; Lord Williams of Mostyn, Parliamentary Under-Secretary, 57; Sir Leslie Young, director, Lancashire Enterprises, 73.

### Lectures

Wallace Collection: Joanne Hedley, "Greuze and Sensibility", 1pm. Shakespearean Theatre, Oxford (Oxford Amnesty Lectures): Bartha Knoppers, "Who Should Have Access to Genetic Information?", 5.30pm. Gresham College (Bernard's Inn Hall, London EC1): Professor Colin Pillinger, "Soljourning and Surveying on Mars", 1pm.

### James Lees-Milne

A memorial service for James Lees-Milne will be held at the Grosvenor Chapel, South Audley Street, London W1, on Thursday 12 March, at 11am.

## LAW REPORT: 5 FEBRUARY 1998

### Copyright owner can have unlimited injunction

The use of an injunction unlimited by time to prevent future infringement of copyright and to extract payment for past infringement was not an abuse of process.

Phonographic Performance Ltd v Marmora and others: Court of Appeal (Lord Woolf, Master of the Rolls, Lord Justice Aldous and Lord Justice Mummery) 3 February 1998

The Court of Appeal allowed the appeal of Phonographic Performance Ltd (PPL) against orders made in proceedings for infringement of copyright, whereby injunctions limited by time were granted against the defendants.

PPL, as assignees, administered the performing, broadcasting and cable programme rights in the sound recordings of the vast majority of record companies. A person who took

one of its licences was entitled to use all the recordings in the repertoire of its member companies. PPL took infringement proceedings against persons discovered to be making unlicensed use of the repertoire, if they failed to apply for a licence after the need to do so had been drawn to their attention.

For many years PPL had obtained final judgment in default under RSC Order 19 rule 7(1) against persons making unlicensed use of the repertoire. The orders made included an injunction with immediate effect and without limit of time to restrain further infringement. In the current actions, the judge had made orders granting injunctions to take effect 28 days after the date of order, to continue for six months or until the defendant applied for a licence, whichever was the earlier.

Peter Goldsmith QC, Jonathan Rayner QC and Amanda Michaels (Green Shilch & Co, formerly Green David Conway & Co) for PPL; Mary Viorica QC (Nick Kounoupas, Performing Rights Society Ltd) for the defendants as interveners; Michael Silverleaf QC (Treasury Solicitor) as amicus curiae.

Lord Woolf MR handed down the judgment of the court. The issue of principle raised on the appeal was whether the judge had been entitled to refuse to grant injunctions with immediate effect and without limit of time.

In the present cases the judge had been aware, from earlier proceedings before him, of the practice of PPL to require a person who applied for a licence to take it from the first day on which they had used the repertoire. A person who had infringed would, thus, only be granted a licence when he had regularised his position. A per-

son against whom an injunction had been granted would, similarly, not be granted a licence if he did not pay the appropriate licence fee in respect of past infringement.

The judge had been concerned at PPL's practice of using an injunction of unlimited duration as a lever to extract payment of past fees, a practice which he regarded as an abuse of process. He had therefore restricted the injunctions granted, and PPL submitted that that was a wrong exercise of his discretion.

A person who exploited his property right by licensing was entitled, except in special circumstances, to prevent unlicensed use of his property right and to refuse to grant a licence except on his terms and conditions as to payment and use. In cases such as the present there was no reason why

the use of an injunction in the normal form to prevent future infringement should be an abuse. No doubt the consequence was that a defendant was forced to pay if he wished to use the repertoire, but PPL was entitled to use the rights assigned to them in that way.

A person who had knowingly infringed PPL's rights and had shown an intention to continue to do so should not be surprised to be told that, if he did continue to infringe, he risked commitment to prison; nor should he be surprised that, when a breach of the injunction had occurred, it was pointed out that that commitment would follow unless he regularised his position. The appeals would be allowed, with the result that the injunctions granted would be in the normal form sought by PPL.

— Kate O'Hanlon, Barrister





## A vote and voice for every British citizen – not just here but overseas too



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The Independent has recently had its problems with Robin Cook, but yesterday he did a good thing. The Foreign Secretary made a brave start at addressing the problems of Britain's remaining colonies; now he must go further.

The Dependent Territories, a clutch of far-flung possessions strung across the globe, are the last morsels of the empire which Britain bit off and then spat out over the course of four centuries. Most are islands, the remnants of a naval strategy that dominated the world for most of the nineteenth century. Gibraltar, the Falklands and St Helena only had meaning for Britain as coaling stations and fortresses. Once naval supremacy was gone, after Britain lost its other colonies, and as submarines, nuclear missiles and aircraft redefined military strategy, they lost their point as far as the metropolis was concerned.

But as far as their inhabitants are concerned, they are still home, and they are

still British. We may sometimes feel that it is slightly surreal or anachronistic that the United Kingdom has dominions in the South Atlantic, the Caribbean, the Indian Ocean or the Pacific. But it does; and the inhabitants of these territories often feel that they are neither understood, nor well treated, nor accepted.

None of these places wants independence; most couldn't cope with it. That means, as the Foreign Office has at last grasped, that we have to come up with a plan for looking after places as diverse as the Falkland Islands and Anguilla.

Mr Cook started in the right place yesterday when he addressed the Dependent Territories Association in London. He began by talking about mutual trust and respect between Britain and the dependent territories, something that has been all too lacking – notably in the dealings of Labour with Montserrat. Symbolically, renaming them the United Kingdom Overseas territories will help put the

relationship on a fairer footing (and it is better than calling them the British Overseas Territories: that name only served to make their inferiority complex worse). Allocating to them a new sub-department in the Foreign Office might not sound much, but it will help clarify administration and ensure that the territories have a closer relationship with the bureaucracy.

In return, the territories will have to clean up their acts in a few, specific areas. Financial regulation has been a big problem, though many of the Caribbean islands have acted already. Respect for human rights – including the abolition of the death penalty, and the establishment of gay rights – is only reasonable if these places are to continue to have close ties to Britain.

The main nettle still to be grasped is passports. In a noble gesture of post-colonial reconciliation, Britain took their British passports away in 1981, and handed out second-class documents in their place, shabby passports that do not give a right

of abode in the UK. The motive was solely to stop the people of Hong Kong from coming to Britain once it became clear that the former colony would return to Chinese sovereignty. This piece of monstrous hypocrisy was then topped off with another: even when Hong Kong had gone, the Government refused to give back the passports to the 150,000 people remaining under British rule. The reason, apparently, was that it would look bad to act so soon after Hong Kong had gone.

This pathetically poor piece of reasoning is still being used to deny the people of St Helena and elsewhere their right to a proper passport. Gibraltar and the Falklands have them already, which also raises some big questions. These two territories are, of course, subject to rival sovereignty claims, which is the main reason why their inhabitants are privileged. But it is also worth pointing out that most of the people of Gibraltar and the Falklands are white; most of the others are not.

Racism? Quite possibly. The main opponent of handing out passports is the Home Office, where plenty of ignoble spirals still find a home. Even if it is not racism, it does not look good for Britain. Nor does it fit with Mr Cook's arguments about mutual trust and respect. And it won't help the Government when it presses its claims over financial regulation and human rights if it is, in effect, offering little in return. The Foreign Secretary realises all that and is trying to change things: which is a moral, but also practical thing to do, and he deserves all the support he can get.

There is one further step the Government needs to take. The territories have, at present, little in the way of democratic representation in London. It would be difficult to give them, say, a seat in the Commons. But in a government where radical and innovative constitutional thinking is encouraged, it shouldn't be impossible to find a way to give every British citizen – at home and overseas – a vote and a voice.

Post letters to Letters to the Editor and include a daytime telephone number.  
Fax 0171 293 2056; e-mail: letters@independent.co.uk  
E-mail correspondents are asked to give a postal address.  
Letters may be edited for length and clarity.

## LETTERS

### President of the UK

The germ of the answer to Andreas Whittam Smith's problem in finding a credible president is to be found within his own article ("Why I lost the debate over the monarchy", 3 February).

He raised the question as to who best represented the mood of the nation at the time of Princess Diana's death. Answer: not the Queen but the Prime Minister, Tony Blair. Pursue this idea to other great emotional crises. Who best represented the mood of the nation at the time of the Dunblane massacre? All three party leaders. And during the Second World War? The Prime Minister, Winston Churchill.

The reason why there is never a satisfactory answer to the question as to who would make a suitable president for this country is because we are still locked into an infantile, dewy-eyed myth of how the monarch represents the nation. And of course no real person can satisfy that myth.

The question Andreas Whittam Smith should really ask is: can readers name a single event of the last hundred years which, were it to occur today, the absence of the monarch would leave an emotional or symbolic vacuum? If the answer is none, as I believe it is, then we have grown out of the need for the myth. There is simply no need any longer for a head of state of that kind, whether monarch or president. The reality is that all the constitutional, symbolic, and emotional roles of the monarch can be performed by the Speaker and her parliamentarians, supported by a mature and self-confident electorate.

PETER MANN  
London W2

Andreas Whittam Smith asks who would make a good president for our country, should we abolish the monarchy. Could I suggest Elizabeth Windsor as being more than suitable for the job?

LAWRENCE KILKENNY  
Stafford

### Lottery regulator

While one would agree with the comments in your leading article "The jury's verdict damned the lottery regulator, too" (3 February), there is another aspect of the situation which must be remedied.

The obligations of the regulator to maximise revenue constrain his ability to deal adequately with public interest issues. This is particularly so since Camelot wishes to expand the market and has recently even recommended to the Secretary of State that there should be cuts on the regulator. At the same time, the Culture Department demands increasing amounts of revenue. In such a setting, public interest pressures inevitably become secondary considerations.

In practice therefore, revenue maximisation has become the predominant duty. This makes it difficult, if not impossible, for the regulator to act in an even-handed way. Such a combination of roles is not found in the statutory powers and duties of any other regulator. Clearly, a true regulator post, with an overriding statutory obligation to take account of the

public interest, needs to be created. The National Lottery Bill at present before Parliament makes no provision for this. Dr E MORAN  
Chairman, The National Council on Gambling  
London N14

### Nigerian crime wave

It has become a pastime for the press to make Nigeria a scapegoat for the inability of the system to check rampant sharp practice ("Nigerian crime wave sweeps through Britain", 2 February).

Nigeria has a sophisticated array of professionals in virtually all areas of British developmental effort – all contributing most assiduously toward bettering their lives and the British system. Nigeria cannot be held responsible for ineffective checks on possible abuses in councils by a few rotten eggs among her large population in the UK. Admittedly, there are some Nigerians who have chosen

unorthodox means of livelihood to reciprocate British hospitality, but a clear distinction has to be made between this small band of misfits and honest, hardworking and disciplined Nigerians.

It is important to stress that Nigeria is neither a producing nor a consuming nation of hard drugs. As far back as 1985, Nigeria took the unprecedented step of executing three undergraduates for drug trafficking. It was the first in the African continent. This is just to show how seriously Nigeria takes the war against drugs and financial crime.

If Britain could co-operate with Nigeria, or even put up 10 per cent of the effort that the Nigerian government has devoted so far to fighting these crimes, the situation would have been abated. GREYNE ANOSIKE  
Editor/Deputy Head, Nigeria Information Service Centre  
Nigeria High Commission  
London WC2

### Artful arguments

Unfortunately, in his vigorous campaign to support Greenwich Theatre, Matthew Francis (letter, 2 February) has missed the main point of Trevor Phillips' article (24 January).

Far from telling arts practitioners not to bother to argue for increased funding, Trevor Phillips urged them to develop sharper arguments in support of public subsidy for the arts. The old ones are simply not working.

As far as Greenwich Theatre itself is concerned, the fact is that average paid attendance did not raise the box office above 28 per cent of financial capacity last year and that is not enough to sustain the business on present or even increased levels of public funding. Furthermore, this core and decreasing audience does not reflect the range and diversity of south-east London.

But just because this particular operation is not proving viable, it doesn't mean that

Greenwich and south-east London should not have access to arts of the highest quality and London Arts Board will continue to work hard to that end. To suggest that the board is not committed to companies working with disadvantaged communities is nonsense. The board's policy this year has been to increase funding – around 60 uplifts in all – to theatres and arts organisations throughout London, including groups like Oval House in Lambeth and Heart 'n' Soul, the leading arts disability group, in Lewisham.

DAVID POWELL  
Deputy Chairman  
London Arts Board  
London WC2

### Amnesty for pigs

Paul Valley ("How the flying pigs became a crackling good tale", 17 January) claims that in the 1970s "Amnesty International financed experiments to torture pigs to find out

whether certain kinds of torture could be used without damaging skin" and suggests that this stemmed from attitudes towards animals "embedded in English culture and law".

The incident Mr Valley refers to took place in Denmark, when a group of doctors who were members of Amnesty International undertook experiments on themselves and anaesthetised pigs with the aim of establishing a basis for forensic proof that even small electric shocks lead to demonstrable changes to the skin.

When the Amnesty International membership learnt of these experiments, the organisation disassociated itself from the experiments and resolved at its 1978 International Council meeting that it would never undertake or be associated with medical experimentation on either human beings or animals. PAUL STREETS  
Deputy Director  
Amnesty International UK  
London EC1

### Freedom to B flat

Since the dawn of orchestral music, composers have always been held back from writing exactly as they wished, by those that commissioned and consumed the symphonies, sonatas and concertos. Music in any tradition has long been governed by what those paying for it expect to hear.

The "forty years of madness" which began in 1945 signalled not the beginning of the end of "classical" composition, as Julian Lloyd Webber asserts ("Stop the dictators of modern music", 2 February), but the dawn of artistic freedom.

DAVID KERNOHAN  
Leicester

A professional musician friend of mine, who is given to describing most avant-garde music as sounding like "a fire in a pet shop", gleefully relates the following story, which he assures me is not apocryphal.

After taking part in the world premiere (probably also the world premiere) of an avant-garde orchestral composition, a well-known clarinettist realised that he had, quite by accident, played the entire piece on his A clarinet rather than the B flat instrument specified in the score.

The fact that the clarinet part was thus heard a semitone lower than intended entirely escaped the notice of all those present, including the conductor, the composer and his sponsors. Need one say more?

ALEXANDER EASTWELL  
Romley,  
Worcestershire

### The first black peer?

It was good to read the article "Not them, not us, just here" (ISM, 31 January). You describe Lord Taylor of Warwick, however, as the "first black peer".

I applaud his achievement, but you've clearly forgotten the late Lord Pitt of Hampstead, while Baroness Flather was in the upper house for six years, and Lord Chitnis, 19 years before Lord Taylor. Who does hold the distinction of being the first black peer? Was it the cricketer Lord (Lea) Constantine? CARL JACKSON  
South Croydon,  
Surrey

## 'Oops – Sorry I Forgot Your Sad Suicide' ... and other greetings cards the censor saw



MILES KINGSTON

People who do very unusual jobs indeed

Number 29: A taste controller in the greetings card industry

"Up to the 1960s, nobody ever saw the slightest need for taste control in the greetings card industry," says Horace Liveright.

"That's because everything was tasteful. Ghastly good taste, you might say. Suffocatingly good taste. Everything was pink clouds and bedroom slippers and little puppies and golf clubs for dad. But in the 1960s everything loosened up. People let it all hang out. We had sex and drugs and rock'n'roll, and the greetings card industry was no exception. When the first

greetings card went on the market inscribed 'Greetings To A Really Horny Guy...', you knew things would never be quite the same again."

It is impossible to tell from Horace Liveright's expression whether he thinks this is a good thing or not. Presumably he thinks it is a good thing, because otherwise he would not be the chief censor of the greetings card industry. Although censor is not a word he likes to hear.

"No, I am not a censor. A censor is someone who stops things being known. I cannot stop someone telling someone else that he is glad it is his birthday. All I can do is exercise some advisory power. I am head of the Greetings Card

Advisory Centre. We advise. We do not control."

In what way would he exercise his right to advise?

"Well, you may have read recently that a leading card manufacturer has issued a set of cards to send to people whose lives have been blighted by the suicide of a loved one. Sorry to hear about your suicide in the family, and that sort of thing."

And did Horace Liveright try and stop it?

"Oh no! Horace looks somewhat shocked. 'No, we are very glad whenever a card company finds a new occasion to issue a set of cards for. It's the follow-up we try to keep an eye on.'"

Follow-up?

"Well, whenever you get a

serious card for a serious occasion, you start to get variations on it after a while. The conventional birthday card led to the satirical birthday card, and to the sexy birthday card, and the pop-up birthday card, and the musical birthday card, and the late birthday card..."

The late birthday card? "Yes, you know, when you have forgotten someone's birthday and you try to make amends by sending an 'Oops - Sorry I Forgot Your Birthday' card. Well, that's fine with a birthday, but can you imagine if someone marketed an 'Oops - Sorry I Forgot Your Sad Suicide' card? Or a pop-up suicide card? It would lower the tone of the whole industry."

Yes, but surely the tone of

the whole industry is low enough already?

"How do you mean?" says Horace Liveright impassively.

Well, there are outrageously gay birthday cards with pictures of naked men, and outrageously ageing cards for older birthdays, and highly suggestive pop-up cards, and... and... Hold on a moment. A pop-up suicide card? What would a pop-up suicide card look like?

"Well, as you opened it, a hand might go up, pulling a noose. Or a hand with a gun might come out at you. Or..."

Wouldn't that be in the most appalling taste?

"Of course. It's my job to make sure it doesn't happen. So whenever I come across a card which seems to transgress all

rules of taste, I move heaven and earth to get them withdrawn."

And what happens to them if and when they are withdrawn?

"Well, they are all pulped, all except the copies I keep. I have a little collection of banned greetings cards. My Black Card Museum, I call it. Care to have a look?"

And into a back room I was led, after the door had been unlocked, to see the most unsettling collection of cards I have ever seen. Pop-up cards involving chain saws and severed limbs. Musical cards involving indecorous lyrics. Cards to be sent to a necrophiliac. Cards which involved libel on living people (mostly Jeffrey

Archer, it has to be said). Gay religious cards saying things about the Pope which couldn't possibly be true. (Could they?) Blasphemous cards, naughty 3-D cards, even cards bearing illicit cannabis seeds...

"Amazing stuff, isn't it?" said Horace Liveright, licking his lips, panting slightly and his face slightly flushed, as he closes the door to his Black Card Museum. "Quite amazing."

It's hard to be certain, but I fancy that in his work dedicated to protecting the public from the damaging effect of tasteless cards, Mr Horace Liveright may have become the first man in history to become depraved and corrupted by exposure to greetings cards.



## War could come closer to home than Iraq



RUPERT CORNWELL  
ON A DIVIDED ISLAND

NICOSIA - It's not so much a wall as a no-man's land of crumbling villas, sandbagged pillboxes and coils of rusted barbed wire, populated by semi-feral cats. This is the Green Line, the physical barrier running through the heart of Europe's last divided city. But green could soon shift to red, as in red alert. For the "Cyprus Question" - that tangle of Greco-Turkish rivalry and nationalism, steeped in history and in blood - is with us again.

At this point, readers may already be throwing up their hands. A UN plan (or to put it in the curious jargon of Cyprus peacemaking, a "non-plan" complete with "non-maps") has been around since 1992. It provides for a bi-zonal, bi-communal federation between the estranged Greek Cypriot and Turkish Cypriot parts of the island. So it's having a rough ride - but what else is new? Despite the best efforts of the cleverest diplomats to achieve a settlement, Cyprus has been partitioned since the Greek-inspired coup and subsequent Turkish invasion of 1974. So why not accept the *status quo*: why try to federate communities that cannot abide each other? Unfortunately, the *status quo* is highly unstable. Cyprus is a mess, and a dangerous mess.

Consider a few facts. Greece and Turkey, the patron powers of the two communities, are snarling at each other across the Aegean. They carry out regular military exercises around Cyprus, including such confidence-building measures as buzzing planes carrying each other's defence minister. The Turks have stationed 35,000 soldiers in the unrecognised "Turkish Republic of Northern Cyprus" (TRNC). In response, the internationally recognised Republic of Cyprus, covering the Greek Cypriot two-thirds of the island, is about to install Russian anti-aircraft missiles. Turkey has said it will "take out" the missiles. But the Cyprus Government has a defence agreement with Greece, so any Turkish intervention could trigger war with Greece.

On top of this, the European Union is about to open entry negotiations with Cyprus. When the EU gave the green light in 1995, it seemed a good idea - a catalyst that one way or another would change the Cyprus equation. Well, it's changed it, but for the worse. Turkey's own relations with the EU have plumbed new depths as a result of the rejection of its own application for membership, while the TRNC is furious, maintaining the Greek Cypriot government has no right to act on its behalf, and that the EU has tilted un-

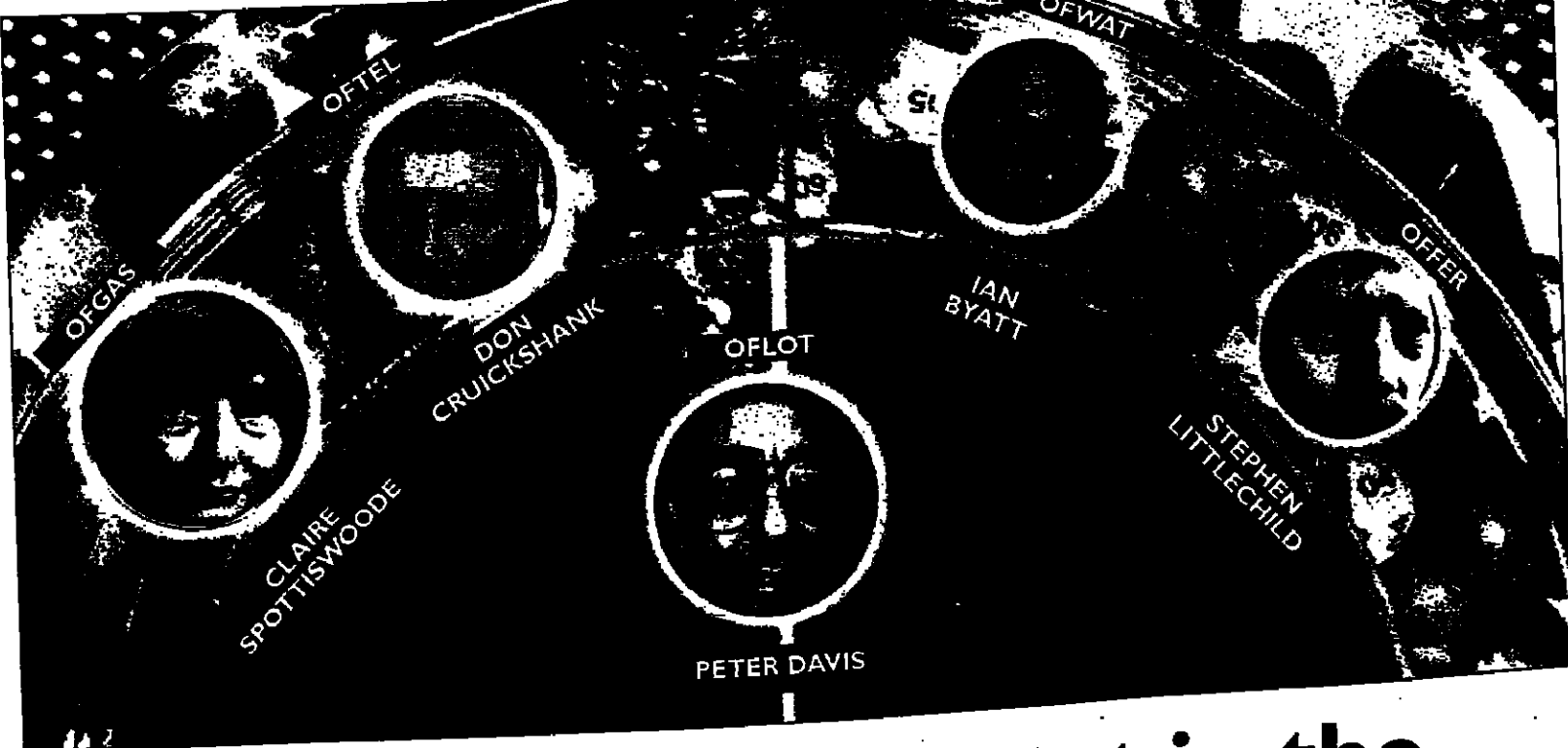
pardonably to the Greek cause. And so all is blocked.

Raul Denktash, the President of the TRNC, has vetoed any Turkish Cypriot participation in the entry negotiations, and now insists there will be no restart of intercommunal talks for a Cypriot settlement, until his Turkish Republic of Northern Cyprus is acknowledged as a party with equal status to the purely Greek Cypriot, Republic of Cyprus. No way, says the latter. But Denktash insists on recognition: "If we don't put our backs up and fight for our rights then the other side will do us in," he told me in his Presidential Palace a few hundred yards north of the Green Line. By "do us in" he does not mean war. The Greek Cypriots realise that even with Russian missiles and modern Russian tanks, they are outmatched by the Turkish troops already on the island, not to mention the firepower available on the mainland just 40 miles distant.

Peaceful defeat, however, is another matter, and the future as seen from northern Nicosia offers little cheer. The south may boom, but only Turkey recognises the statelet of 180,000 people over which Denktash presides, meaning that a politically unstable country with a shambolic economy and a wheelbarrow currency is his sole commercial, financial and diplomatic outlet to the world. In a modest pizzeria by the old harbour at Girne - better known as Kyrenia, where the Turks (invaders or rescuers depending on which community you belonged to) landed in 1974 - a million Turkish pounds, equal to £3 sterling, buys just a beer and a sandwich. But Denktash has no choice but to smuggle closer, asking Ankara for more money and placing his men as unofficial diplomats in Turkish embassies abroad. Yet the last thing he wants is full political integration with the motherland. Northern Cyprus's per capita income may be a mere third that of the south. But it's still a great deal richer than mainland Turkey.

Now it should not be beyond the wit of man (or more precisely the wit of Richard Holbrooke, who knocked heads on Bosnia and is now US special envoy on Cyprus) to find a means of fudging the recognition issue. And in two weeks, when the south's election is out of the way, a Cyprus president with a fresh mandate - perhaps the incumbent Glavkos Clerides - may find it easier to make concessions. But don't bank on it. Like Ireland, Cyprus wears history as a boulder round the neck. For Denktash and Clerides, as with Gerry Adams and David Trimble, the same principle obtains: if it makes the other guy happy, it must be bad for me.

And so stalemate festers. It's hard to imagine two communities with different languages and faiths, whose last memory of each other was coup, invasion, and reciprocal bloodletting, ever getting together again. But it's harder still to swallow the prospect of deepening partition, a reciprocal arms build-up, and smouldering hostility between the patron powers, Greece and Turkey, that could be reignited by a single careless spark in Cyprus. Clerides and Denktash have been sparring about the Cyprus Question for nearly half a century. It's rarely been so important they finally reach an accommodation. And, sadly, rarely so unlikely.



## Who will be next ball out in the Great Regulators' Lottery?



DAVID WALKER  
MINDING THE MINDERS

A moment's silence for Peter Davis, the deposed Lottery regulator. And a mite of sympathy. Yes he was untelegenic, someone who managed simultaneously to be wooden and slippery, who until the very moment his number was up seemed unaware of what the fuss was about. Yet he was also a victim whose fate owes much to decisions taken a decade and a half ago by a dangerous constitutional radical - Margaret Thatcher.

For it was Thatcher who, without reflection, created the new breed of regulators, largely unaccountable to either Whitehall or Parliament, untrained, amateur, working with minimal job descriptions and without performance appraisal. That some of them acquired near folk-hero status - James McKinnon for taking on British Gas, Bryan Carsberg as the

phone-user's friend at Ofel - cannot detract from the administrative fact that huge amounts of discretionary power affecting millions of households were loaded on the shoulders of a diverse crew of quangoocrats. They are not civil servants answerable to ministers nor politicians in their own right yet they have often, inconsistently, behaved like both.

There has lately been a breakdown in trust between the British people and their government - and the insouciant creation by the Tories of these undemocratic hybrids must bear some responsibility. Mrs Thatcher is often credited with borrowing ideas from the old guru, Frederick von Hayek. But on this front, she failed completely to register one of the Austrian economist's great anxieties about the modern state - that increasing amounts of its work gets devolved to a class of official who played by rules of their own devising.

The Office of the Lottery Regulator is a bureaucratic copy of Ofel, the Office of Telecoms Regulation. Needing a figleaf for the public interest after the privatisation of British Telecoms, Mrs Thatcher re-buffed her ideologically-pure economic advisers and announced that Ofel was to have extra but vaguely specified powers to promote competition. Space was inadvertently created for Bryan Carsberg spectacularly to play to the consumers' gallery - even though by law he had as much obligation to BT's shareholders as to BT's cus-

tomers. After Ofel, but without rigorous review, similar offices were created for the privatised gas, electricity and water industries (though not, inconsistently, for airports). In the nineties, the same formula was used for rail franchising and regulation and, since 1994, the National Lottery.

There were other choices - like the American way of regulation, through open hearings (in which lawyers, needless to say, are heavily involved). But the Tories preferred the "good chaps" approach. If ministers could stand up and say with their hands on their hearts that John Swift (at Ofrail) was a Queen's Counsel and a gent, hence completely above the railways fray, it absolved them from blame.

But who then asks how well Mr Swift (his contract is up for renewal in December) is performing or even what criteria he should be working with? Is public visibility part of his duties? How often, for example, do we see him on the Nine O'Clock News bemoaning Railtrack? Just to make his life more complicated, the job of berating Richard Branson for failing to ensure Virgin trains run on time belongs to Ofraf (Office of Passenger Rail Franchising, headed by the even more obscure John O'Brien).

Not that Mr O'Brien will answer the phone when commuters complain that the 07.45 from New Street is an hour late. No. That, it turns out, is somebody else's job.

The point is not whether or not individual regulators do a

good job; the difficulty is thea puzzling lack of definition over the job they are supposed to do. Claire Spottiswoode, overcame an initial bit of embarrassment at her effortless transition from a managing a small computer software company (was this relevant experience?) to make a list of breaking up British Gas into regional suppliers. But both she and the Electricity Regulator (the economist Professor Stephen Littlechild, appointed partly because he had written the pricing formulae he was supposed to be implementing) have found themselves increasingly anachronistic. The industry has changed under their feet as gas suppliers have become electricity providers and vice versa - and meanwhile everyone who owns a conduit into households fancy themselves as the carriers of communications.

To call the utility regulators amateurish and their appointment procedures a game of chance would be cruel, but not too far from the truth. At water, Ian Byatt - now aged over 65 but apparently still to continue until the year 2000 - was previously a civil servant in the Treasury, a department not well known for its specialist knowledge of sewerage and water pipes. Might he be the next ball to fall from the drum in the Great Regulators' Lottery?

Unsurprisingly Labour came to power last year promising to take a look at the regulatory empire created by the Tories. Yet we still have not seen the green paper that was supposed to follow the review of energy and

water regulation set in train last summer by Trade Secretary Margaret Beckett. As for the Department of Environment, Transport and the Regions, it promises a white paper later this year which might recommend a strategic rail authority. But where is the central data base that allows the relative performances of these men and women to be compared and contrasted? What we see here is another example of the fragmented nature of British government.

Jobs are vacant. Chris Smith needs to appoint a successor to Peter Davis; the job at Ofel is pending now that Don Cruickshank is off to help combat the dreaded Millennium bug. But it won't be enough for Labour to chop and change among personalities. More important is giving this game some hard and fast rules.

A few years ago it became fashionable to talk about the "regulatory state". In it governments would step back, hold the ring, let business get on with it. In reality, the Tories took fright at such a minimalist approach; they botched their own job.

Now it's Labour's turn. To realise its plans, regulators will need to be a lot more energetic - and more interventionist than ever. Surely that has to mean dispensing with the pretence that the regulators are free-floating independents. They need to be subjected - in ways Peter Davis evidently was not - to clear and accountable political control.

## My barmy relations ... and that photograph of the naked Kate Moss

JOHN WALSH



YEARS AGO, BEFORE I became the *soigné* commentator you see before you, I used to write for a gossip column in a London paper. One of the traditions of the gossip's afternoon was what became known as the Shop Your Granny Hour - namely, the hour before the deadline when, desperate for some shocking revelations with which to stun the reader, one would reveal without a qualm some gross indiscretion about a close relative, no matter what the cost to one's morals or one's chances of receiving a legacy. Of course, shopping your granny was the purest hyperbole, since none of our ancient ancestors did anything remotely interesting - few of them went to fashionable nightclubs on the arm of Rufus Sewell, and hardly any of them had affairs with the Foreign Secretary. It was just a figure of speech. But now of course it's got serious. For the past few weeks, a repellent advertisement has been heard on commercial radio, cooingly encouraging you to bring out your barmy relations.

"Memory loss? Confusion? Periodic forgetfulness?" it runs (I paraphrase, but not much). "If you know of a loved one who suffers from any of these, why not put their name forward to take part in clinical trials. You could even find yourself remunerated for inconvenience. Candidates

must be over 50 to take part ..."

Am I alone in finding this approach a little insensitive? "Candidates must be over ..." is a formulation usually employed when telling members of the public how to get on to *Blind Date*, not how to become guinea pigs in some rebarbative clinical inspection. The detail about being "remunerated" may sound inoffensive, but it introduces a note of commercialisation that is nothing short of shocking. Why don't they just come clean and say: "Cash prizes for befuddled relatives. Is your grandma going mad? Is your old nan in the throes of Alzheimer's? Then turn her befogged state into hard cash. Why not bung her round here to our draughty rooms, leave her to our tender mercies for a few hours and pick up £££..."

Incensed, I rang the number they gave, spoke to a kindly Irish lady and said I was concerned about a "loved one" - her forgetfulness, her conversational breakdowns, her insipid diet, her lack of interest in the fortunes of *Tramere Rovers*, etc. The woman asked for my number and said "a doctor or nurse" would ring me back. A likely story. There I sat through the long afternoon, waiting for the phone to ring, as the light began to fade. There I sat, as my head gradually cleared of urgent journalistic thoughts, to be replaced by snatches of old songs, faded septa

memories, blurred images of faces I once knew ... Oh, for God's sake. I pulled myself together and exasperatedly rang the number a second time. "Yes?" asked a voice. "I'm ringing about a Loved One. My name is Wal ..."

"You've already rung us," said the Irish lady with a hint of asperity. "You're not suffering from memory loss, are you?"

I DON'T CARE WHAT A FEW million ignorant Yanks think. The Duchess of York is fine by me. I for one have no intention of giving up reading her Diary, as syndicated in a (regrettably dwindling) number of north American papers. Anyone who fails to be riveted by the news that young Beatrice (or is it Eugenie?) is in the habit of killing and eating insects, and is therefore about to turn into Jeffrey Dahmer, has no nose for important news. Anyone who doesn't warm to the Duchess's instinctive clutching at the wrong word (Upper Silesia is "a modern facsimile of hell"; "I am dealing with my debts in a respectful way," she told critics - should that be "respectable"? "The stone walls of Buckingham Palace are mortared in mystique" - should that be "brick walls"? Come to think of it, should that be "Mustique"? Must themselves have a heart of stone. But amid all the carping over her gradual transformation into a one-woman merchandising

empire, just remember this. According to the marketing manager of the *New York Times* (who signed the syndication contract with her), she is "a mythic figure whose words are greatly anticipated among newspaper readers in the Persian Gulf".

Imagine. Just as Mrs Albright is darting round the Middle East, coordinating support for colossal air strikes, just as half of Kuwait is poised to migrate en masse to Saudi Arabia, just as you think the whole Iraqi population would be scanning the foreign pages with mild trepidation, what are they all secretly reading? "We believe in each other, Andrew and I. Isn't that what friendship is all about?"

HAVE YOU GOT A COPY OF last week's *Independent Saturday Magazine* handy? You'll need it for this story. The phone rang on Tuesday in the ISM offices (which are, as you can imagine, hugely palatial and awe-inspiring, somewhere between the Pentagon and the Hanging Gardens of Babylon). "It's about the feature on Yves St Laurent," said a male voice, with that slight quaver of lubriciousness that betokens the smut connoisseur. Oh yes, said the Deputy Editor, wearily, a fine piece of writing ... "It's about the photographs," said the voice. Mm-hmm, said the Deputy Editor. He'd been expecting a few calls. Even in 1998, you cannot publish pictures of

gratuitously naked, and spectacularly tangerine-hued breasts (which may or may not be Kate Moss's) without attracting a few, as it were, knockers. "I refer you to the photograph on page 35," continued the voice. "As I have a special interest in it". As readers may recall, page 35 featured a curious *mise-en-scène* of a nervous-looking football hooligan in a beige raincoat, standing beside a white sofa and failing to notice a young woman standing in front of him clad only in pink stiletto sandals.

"If you're wondering about the naked woman," said the Deputy Editor pre-emptively. "I don't actually think it is Kate Moss". "I wasn't ringing about that," said the Deputy Editor, "I'll have to refer you to St Laurent's Paris office". "I wasn't ringing about that," said the Deputy Editor, "they're £195 ..."

"Actually, it's the electrical fittings and the blue cables," said the voice. "You can just see them at the extreme edges of the shot." The Deputy Editor removed the phone from his ear and looked at it for a few minutes. "I work for the company that makes them," the voice continued relentlessly. "And I just wondered if I could have a copy of the picture for my files." He giggled. "You must think I'm a real pervert ..."

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## Dalgety shares soar as Nestlé pays £715m for pet-food arm

**Dalgety, the troubled foods group, yesterday took the City by surprise with the sale of its Spillers pet-food business to Nestlé for £715m, in a dramatic strategic U-turn. Andrew Yates reports that Dalgety's shares soared as the market looked forward to the return of £650m to shareholders.**

The sale of the Winalot and Felix pet-foods business to Nestlé of Switzerland delighted the market and the shares leapt 49.5p to 343p.

The decision marks the end of the group's 19-year battle against the Mars-owned Pedigree pet-foods and the reversal of the plan by Richard Clothier, the group's previous chief executive, who had hoped to create a powerful player in the highly competitive European pet-food market.

The company claimed the sale followed an "irresistible" offer from Nestlé. "We've got tomorrow's price today," Ken Hanna, the chief executive, said. Dalgety is now preparing to pay out £650m to long-suffering shareholders because of the

pet-food windfall. It also achieved a much higher price for Martin Brower, the US distribution business that supplies McDonald's, which was sold to Reyes, a private American group, for £120m.

The latest sales mean that Dalgety has raised £1.2bn from disposals in the last few months. The deals follow hot on the heels of the £360m sale of its ingredients business to Kerry, the Irish food group.

Mr Clothier expressed sadness at the break-up of the business yesterday. "After it sold its Australian operations Dalgety was always looking for a reason to exist," he said. "We got close."

Mr Clothier, who resigned from Dalgety last year after the group issued two profits warnings in two months, justified his decision to buy the Quaker pet-foods business. "Without it, the Spillers business would have been a distant third in European pet-foods."

But he said the management had achieved a good price for the pet-foods operation, in which Dalgety invested more than £100m in the three years since the acquisition.

The sale could threaten the jobs of the 1,500 workers employed by Spillers in the UK. However, Dalgety, which recently laid off 600 staff at the business, believes Nestlé is not

planning further redundancies.

City observers believe the deal could be held up for months due to close scrutiny by the competition authorities.

Nestlé, which sells pet-food brands such as Gourmet, will control more than a quarter of £5bn European pet-foods business. It will also sell about one in every three tins of pet-food sold in the UK. Analysts believe that it could be forced to sell several brands but the deal is unlikely to be blocked completely.

Its market share will still be well short of Mars, which sells two-thirds of all pet-food in Europe.

If the deal goes ahead, shareholders will receive £250m by June, with the balance of £400m in the following year.

Dalgety has now sold three of its five main divisions in an effort to reduce debts and shore up its balance sheet.

It is left with PIC, the world's leading pig breeding business, which it intends to grow rapidly. However, it is still lumbered with a troubled agricultural supplies division which has been hit by the slump in the demand for cattle feed brought on by the BSE crisis. The group has been forced to write down the value of the business by a half to £60m and analysts believe it will be sold as soon as profits show signs of improvement.

Investment column, page 22



Expansion plans: Dalgety now plans to focus on PIC, the world's leading pig breeding business

### DALGETY'S DEALS

**1994:** Sells off some of its US food distribution operations for £86m, acquires Spanish pet-foods business  
**1995:** Buys Spillers pet-foods from Quaker Oats for £447m. Sells a number of consumer food brands including Golden Wonder crisps and Homepride

cooking sauces in a £300m deal  
**1996:** January - sells its food ingredients business to Ireland's Kerry Group for £360m; February - disposes of pet foods division, including Spillers, to Nestlé for £715m; sells US distribution business Martin-Brower to Reyes

**Holdings for £120m:** promises to return £650m to shareholders  
**Future:** an agricultural feed business, which will probably be sold; the Pig Improvement Company, which supplies genetically improved breeding stock to pig producers

## Matthew Clark fails to find a buyer

Matthew Clark, the troubled cider company that includes Diamond White and Dry Blackthorn, has failed to attract a buyer despite an attempt to encourage takeover interest. The news raises doubts about the group's future, according to City sources.

Several drinks groups are believed to have run a slide rule over Matthew Clark after being encouraged to make an approach. HP Bulmer, the UK's leading cider maker and Matthew Clark's main rival, is understood to have had a serious look at the business, despite potential concerns from competition authorities that a deal would give it a monopoly over the cider market.

However, Bulmer is understood to have been reluctant to launch a bid as it did not see the merit in adding new brands to its extensive portfolio, which includes Strongbow and Woodpecker. It also had concerns about Matthew Clark's trading prospects. The group is still losing market share to Bulmer.

Pernod-Ricard, the French drinks giant, has also been making an offer. But it too has ruled out an offer according to industry sources.

Matthew Clark has been hit by the slump in the cider market and the growing popularity of alternative drinks such as alcopops.

It has launched a £10m advertising campaign designed to reverse falling sales of its main brands but so far the results have been very disappointing.

Matthew Clark's problems came to a head last December when it revealed its profits fell nearly a fifth to £17.7m. The group also warned full-year profits would fall below expectations due to "poor pre-Christmas trading. The figures prompted outcry from some institutional shareholders, who called for Peter Aikens, the group's chief executive, to step down.

Matthew Clark's share price has plummeted from a high of 801p in 1996 to 166.5p, valuing the group at just £147m.

Cider makers' troubles have raised the prospect of further consolidation in the sector. Last year Merrydown, the Sussex cider maker, announced that it was in takeover talks.

— Andrew Yates

## Budget to focus on welfare to work reforms

**Next month's Budget will focus on making work pay for low earners and on closing tax loopholes for the well-off. But demands for additional government spending will not be satisfied. Diane Coyle, Economics Editor, and Andrew Verity report.**

Additional welfare-to-work measures will form the centrepiece of next month's Budget, including changes to national insurance and the introduction of a tax credit for low-paid families.

At the same time the Budget will crack down firmly on tax loopholes currently exploited by both companies and wealthy individuals. Geoffrey Robinson, the Treasury minister at the centre of controversy about his own offshore tax arrangements, is expected to be moved to another job after the Budget.

Alongside the Budget's emphasis on welfare reform, Gordon Brown, the Chancellor, will affirm his determination to stick to tough spending plans. A plea by the Trade Unions Congress (TUC) this morning for an extra £3.3bn of expenditure on increased benefits and priority spending areas such as health and education is likely to fall largely on deaf ears.

Yesterday Martin Taylor, chairman of the Government-appointed task force on reforming the tax and benefit systems, said he would be recommending a variant of the American system which is designed to reinforce the work ethic by chan-

nelling top-up income to the low paid through pay packets.

But he indicated that the Budget would not simply copy the US system, which relies entirely on a tax rebate without any benefit payment such as Britain's existing Family Credit. There had been real concern that replacing Family Credit entirely with a tax credit would take money away from women and children and put it into men's pay packets.

Mr Taylor told the House of Commons' social security committee that his task force did not regard a "big bang" integration of tax and benefits as necessary or desirable. He argued that a tax credit could have "important psychological effects on the way people feel about work".

The full report of the task force, due to be published around the same time as the Budget, is expected to be reflected in the measures announced by the Chancellor.

Mr Taylor also told the committee his group regarded the introduction of an income tax starting rate of 10p in the pound "almost as a given", as it had been a long-term Labour manifesto commitment.

However, the Chancellor's determination to keep government borrowing on a downward path means the TUC's proposals for billions in extra spending are unlikely to be accepted.

The TUC argued that most of this could be financed by spending the £2.8bn remaining in the contingency reserve for 1998/99, but it would be very unusual — and considered most imprudent by the Treasury — to allocate all of the reserve at the start of the financial year.

Outlook, page 21

## Services boom could tip knife-edge rate decision

**There was new evidence yesterday that service industries are still booming. It came as the Bank of England's Monetary Policy Committee started wrestling with the question of whether to raise interest rates this week. Diane Coyle, Economics Editor, reports on the knife-edge decision.**

The vast majority of City pundits expect the MPC to cheer home-buyers by leaving the cost of borrowing unchanged at 7.25 per cent today. But the closeness of the call was highlighted by a new survey

suggesting that activity in the service industries, which make up two-thirds of the economy, grew even faster in January.

The Chartered Institute of Purchasing and Supply, which surveys purchasing managers each month, reported a rise in its activity index from 57.6 in December to 58.6 in January. This reflected very strong employment growth, which allowed companies to expand capacity and cut down on their backlog of work.

The report commented: "Increased demand for suitable staff again led to a further rise in wages and salaries in January."

Peter Thomson, director general, added: "There are no significant signs of growth slowing." However, business optimism did decline during the month, falling to the lowest level since

the survey began 19 months ago.

In addition, stiff competition meant that only 8 per cent of the companies surveyed were able to increase the prices they charged customers. "The outlook for inflation is better than it was last year," Mr Thomson said. In addition, the rate at which new business grew slowed down compared to December.

The results of the survey — which is relatively new and untested but is also one of the few available indicators of what is going on in services as opposed to manufacturing — left analysts divided about how fast the economy will slow this year. For the contrast between service industries enjoying boom conditions and manufacturing flirting with outright recession could scarcely be greater.

David Hillier at Barclays Capital said the MPC should

raise rates this week as an insurance policy against the remaining inflationary dangers. "One more rise would send a clear message to employers and employees at a vital time in the pay round that earnings growth will not be allowed to threaten the inflation target," he said.

But Simon Briscoe at Nikko Europe disagreed. "It would be wise for the MPC to refrain from tightening policy until there are stronger and more convincing signs of rising price pressures," he said.

Hopes that the Bank of England will choose this course were boosted by the expectation yesterday that neither America's Federal Reserve Board nor Germany's Bundesbank would increase their interest rates.

The Fed lived up to this hope by announcing no change after the financial markets had closed

in London yesterday, and partly through the MPC's two-day deliberation. The Bundesbank Council meets this morning.

Central bankers in the leading advanced economies are sensitive to the potential impact of the Asian crisis, and the Fed in particular is expected not to increase US interest rates until the economic spillovers are clearer and the financial markets in the Far East have stabilised.

Officials from European and Asian countries meeting in London to prepare for the summit of EU and APEC ministers in early April are likely to issue a statement on their assessment of the crisis today. Asia will also be the main item on the agenda when finance ministers and central bank governors from the G7 countries meet in London later this month.

## Buffett caught up in silver price row

Warren Buffett, arguably the world's most famous investor, was plunged into controversy last night after it emerged that a commodity trader which is fighting allegations of manipulation of the silver market brokered deals for the US billionaire.

Silver prices yesterday hit a 10-year high yesterday after Mr Buffett revealed he held 20 per cent of the world's annual silver supply. The surprise announcement sparked copycat buying across the globe.

Mr Buffett added that his purchases had been sourced through a single brokerage. But it was only last night that Philbro, the commodity trading arm of Salomon Smith Barney, admitted it was the broker in question.

Last month, Lovell & Stewart, the law firm, filed a class action lawsuit against Philbro, alleging the company had manipulated prices in the silver market. The allegations are denied by the company, and the New York Mercantile Exchange said there was "absolutely no basis" for the claims.

Silver prices have risen by 65 per cent since Berkshire Hathaway, Mr Buffett's company, began buying silver since last summer. In London yesterday, silver was trading at around \$7 an ounce (£4.40), valuing Mr Buffett's holding at \$910m.

Dubbed the "Oracle of Omaha", Mr Buffett has gained an almost legendary status among small investors.

However, analysts warned



Warren Buffett: Sparked a rise in silver to 10-year high

that further increases in the silver price could trigger a price collapse, with the sale of substantial off-market silver holdings. Wiktor Bielski of Deutsche Morgan Grenfell reckons 70 per cent of the world's silver supply could be held off-market. The Bank of England yesterday said it was monitoring the situation.

— Leo Paterson

## Atlantic Gas sells customer list to Northern Electric

Atlantic Gas, the controversial company which charged people a £30 up-front fee to guarantee the cheapest fuel deal, has sold its database of 40,000 customers to Northern Electric.

In a deal revealed last night, Atlantic has also become a gas marketing agent for Northern Electric, although the Manchester-based company's doorstep sales force has stopped charging people in advance.

Tim Mulcahy, a 36-year-old who brought over the Atlantic concept from Canada, said Northern Electric had paid "less than £1m" for the customers.

The 40,000 households will get their up-front payments back in the shape of a rebate,

but only if they stay with Northern Electric for a year.

Atlantic was investigated by Ofgas, the industry watchdog, but the company did not operate as a licensed supplier and no direct action was taken.

Ogas subsequently changed the regime so that existing gas companies could not take over new Atlantic customers who had paid a fee in advance, though the new rules did not apply to existing customers.

Mr Mulcahy yesterday insisted that Atlantic had not profited from the venture, although the company is believed to have raised about £1m through customer payments.

"We're making a loss out of this," he said. "I haven't taken a penny out and there have been

no profits for shareholders."

Northern Electric admitted Atlantic had caused controversy, but said it was "willing to come in to deal with a difficult situation".

An Ofgas spokesman said: "Our concern was that people who signed up would get their money back and it does appear that this will happen."

However Neil Lambert, commercial director of rival supplier Calorx, said he had also been approached by Atlantic and had thrown the offer document in the bin.

"They were taking advantage of the most vulnerable customers. They didn't need to pay £30 to find the cheapest gas," he said.

— Chris Godsmark

### STOCK MARKETS

Index	Close	Change	Change(%)	52 wk high	52 wk low	Yield(%)
FTSE 100	5595.80	-17.00	-0.30	5616.10	4189.10	3.15
FTSE 250	4936.80	19.90	0.41	4963.80	4364.20	3.17
FTSE 350	2863.70	-4.70	-0.16	2868.40	2075.70	3.15
FTSE All Share	2863.90	-3.90	-0.15	2867.50	2065.07	3.14
FTSE SmallCap	2393.20	4.80	0.19	2407.40	2182.10	2.97
FTSE 100/1000	1298.20	-1.00	-0.08	1348.50	1225.20	3.12
FTSE AIM	983.80	2.80	0.27	1138.00	965.90	1.23
Dow Jones	8114.26	-47.83	-0.59	8299.03	6350.78	1.23
Nikkei	16882.62	-140.36	-0.83	20910.73	14488.21	0.90
Hang Seng	10302.61	-222.90	-2.12	16820.21	7908.13	3.81
Dax	4486.95	-45.57	-1.01	4532.57	3066.78	1.72

### INTEREST RATES

Short sterling		UK 10 year gilt		US long bond	
1/20	0.17	0.09	0.09	0.09	0.09
1/10	0.09	0.09	0.09	0.09	0.09
1/20	0.09	0.09	0.09	0.09	0.09
1/10	0.09	0.09	0.09	0.09	0.09
1/20	0.09	0.09	0.09	0.09	0.09
1/10	0.09	0.09	0.09	0.09	0.09
1/20	0.09	0.09	0.09	0.09	0.09
1/10	0.09	0.09	0.09	0.09	0.09
1/20	0.09	0.09	0.09	0.09	0.09
1/10	0.09	0.09	0.09	0.09	0.09
1/20	0.09	0.09	0.09	0.09	0.09
1/10	0.09	0.09	0.09	0.09	0.09
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1/20	0.09	0.09	0.09	0.09	0.09
1/10	0.09	0.09	0.09	0.09	0.09
1/20	0.09	0.09	0.09	0.09	0.09
1/10	0.09	0.09	0.09	0.09	0.09
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1/10	0.09	0.09	0.09	0.09	0.09
1/20	0.09	0.09	0.09	0.09	0.09
1/10	0.09	0.09	0.09	0.09	0.09
1/20	0.09	0.09	0.09	0.09	0.09
1/10	0.09	0.09	0.09	0.09	0.09
1/20	0.09				

### CURRENCIES

\$/£		DM/£		¥/£	
1.800		2.900		200.0	
1.600		2.700		180.0	
1.400		2.500		160.0	
1.200		2.300		140.0	
		2.100		120.0	
		1.900		100.0	
		1.700		80.0	
		1.500		60.0	
		1.300		40.0	
		1.100		20.0	
		0.900		0.0	
		0.700			
		0.500			
		0.300			
		0.100			
		0.000			
	</				

### TOURIST RATES

Australia (dollars)	2.34	Italy (lira)	2.877
Austria (schillings)	20.37	Japan (yen)	203.71
Belgium (francs)	59.92	Malta (lira)	0.63
Canada (\$)	2.31	Netherlands (guilder)	3.27
Cyprus (pounds)	0.85	Norway (kroner)	12.4
Denmark (kroner)	11.12	Portugal (escudos)	294.44
Finland (markka)	8.85	Spain (pesetas)	245.01
France (francs)	9.71	South Africa (rand)	7.78
Germany (marks)	2.91	Sweden (kroner)	12.97
Greece (drachma)	460.30	Switzerland (francs)	2.35
Hong Kong (\$)	12.34	Turkey (lira)	349.060
Ireland (pounds)	1.15	USA (\$)	1.61

Source: Thomson Data  
Rates for information purposes only





## THE INVESTMENT COLUMN

EDITED BY ANDREW YATES

### Dalgety brings home the bacon

Dalgety has been a corporate disaster story. A ragbag of disparate businesses, it has stumbled along from one crisis to another over the last few years.

But yesterday it stunned the City by actually announcing some good news. Its new management have done the sensible thing and sold off almost everything in sight. The disposal of the pet food business for what can only be described as a very fancy price and the promise to give shareholders £650m from its £1.2bn sales proceeds is a far cry from last summer, when the group looked on its last legs after two profit warnings in quick succession. No wonder the shares leapt 49.5p to 343p yesterday.

Dalgety's pet food business has been a dog's dinner for years. Desperate for an acquisition, it paid way over the odds for Quaker's pet food business three years ago. However, the £715m sale price is more than it could have dreamed of for a division which is making an operating profit of just £30m a year.

So how do you value what is left of the group? The break-up rendered yesterday's results for the six months to December, which showed a fall in pre-tax profits to £34.8m (£43m), virtually meaningless.

Analysts believe that operating profits from the pig breeding business, which is now Dalgety's prize asset, should rise to around £25m this year, and £30m next. Given that Dalgety is a world leader in this field and its rivals are trading at around 25 times earnings, the division probably deserves a premium rating. Applying a cautious multiple of 17 times earnings, the business is worth perhaps 120p-125p a share.

After the disposal, the group will

### Dalgety: At a glance

Trading record	95	96	97	96	97
Turnover (£2m)	4.9	4.4	4.1	2.2	2.0
Pre-tax profits (£m)	93.7	89.6	(71.6)	43	34.8
Earnings per share (p)	20.4	20.4	(30.9)	9.3	8.6
Dividends per share (p)	22.0	22.0	14.50	8.5	6.0

Market value: £995m, share price 343p (+49.5p)

Year to June Half year

Operating profit by activity, £m

Share price pence

93 94 95 96 97 98

hand back 224p a share to investors, and have £70m in the bank, equivalent to another 24p. Adding all that up gives a value of around 365p.

The shares should trade at a small discount for the fact that shareholders will not get all their cash for three or four months at least. Even so, there looks scope for some upside in the share price and, if Dalgety can extract itself from its dire agricultural feeds, business then it will begin to look good value.

### CSC thrives in out-of town sites

Shoppers may not be flocking to the high street but results from Capital Shopping Centres (CSC) suggest they are heading for out-of-town shopping centres in droves.

By building up a formidable portfolio of shopping complexes, CSC has been able to cash in on the strong consumer spending and sharply rising rents. Pre-tax profits were up a third

to £77.4m, and net assets per share leapt 27 per cent to 391.5p, well ahead of market expectations of 380p.

The City is also impressed by the 10 per cent turnover of tenants, which suggests that CSC has been able to bring in plenty of new retailers willing to pay higher rents. And its empty units represent just a half a per cent of total space.

There is a fear that CSC relies too heavily on a few centres which could be vulnerable if consumer spending begins to fall. The Lakeside, Thurrock and the MetroCentre, Gateshead account for almost 70 per cent of its property portfolio. But when Brackhead, the £285m development on the site of former Clydeside shipyards, opens in the spring 1999, the dominance of the two main sites will be reduced.

Government planning restrictions could limit further acquisition opportunities. However, that serves to make CSC's existing sites all the more valuable and the group also has scope to increase the size of many of its centres in the medium term.

The strong results prompted analysts to raise profit forecasts for 1998 by

£3.5m to £83.5m and pushed the shares up 4.5p to 444p. With net asset value per share forecast at 445p this year and 520p next, CSC still looks good value.

### Marginal success at Nightfreight

Put good management into a bad business, so the saying goes, and the business usually wins. Nightfreight's new management team are hoping to be the exception to the rule. Installed last May after the parcel carrier had issued its umpteenth profits warning, chairman David Cobb and chief executive Ron Sullivan are trying hard to turn the business around.

Contrary to the grim impression given by yesterday's full-year results, which showed pre-tax profits dropping 30 per cent to £3.77m, they appear to be succeeding. Margins in both the parcels and the logistics divisions improved in the second half as management concentrated on cutting costs.

The long-term aim is to get group margins back to around the 9 per cent level they were in 1995. In 1997, they were just above 4 per cent. To achieve this, Nightfreight is doing things like using postcodes instead of the old county boundaries to route its parcels.

That said, there is still a lot to be done. Amazingly, the company owns half its truck fleet even though leasing deals are more attractive than ever. Gearing, though falling, remains over 100 per cent.

With such a desperate history behind it, investors will want to see results before sinking any more cash into Nightfreight. But on a multiple of just seven times house broker Panmure Gordon's 1997 earnings forecast, the shares, up 2p yesterday to 32.5p, can hardly go any lower, and there is always the chance of a bid. Risky, but worth a punt.

## Shares lift as Reuters hits back in Bloomberg inquiry

Reuters, the financial information group, yesterday ended its silence over the criminal inquiry into its US subsidiary in an attempt to placate its shareholders, who have seen the company's stock fall by one-fifth in the past fortnight. Peter Thal Larsen reports.

Reuters' shares staged a recovery even though the company's explanation shed little light on the affair.

Federal prosecutors are currently investigating Reuters Analytics, the US subsidiary which collects and distributes data on US bonds, about its alleged use of information owned by Bloomberg, the rival information group. The company had

previously refused to comment on any aspect of the case.

The silence has led to a frenzy of speculation, with reports from the US alleging that Reuters had used Bloomberg's information in its own products and that it had hacked into its rival's central computer in order to steal computer code.

Reuters yesterday confirmed that Reuters Analytics was being investigated about a deal with a consultant in New York who subscribed to information from Bloomberg. The inquiry is looking at whether the consultant was encouraged to pass the Bloomberg information on to Reuters, and whether Reuters incorporated that data into its own products.

However, the company claimed that prosecutors were investigating attempts to break into the Bloomberg central computer in order to steal its rival's code. Moreover, Reuters

said it "has no knowledge of any such activity".

The company also insisted that, on its current information, it would not have to withdraw any of its products. Analysts had suggested that Reuters might have to withdraw its new Reuters 3000 product, which combines information and analytical tools, if it contained stolen information.

However, the announcement said that the current investigation will be extended to "other individuals and entities outside Reuters Analytics". A spokesman refused to elaborate on the statement.

Reuters shares finished the day up 40p to 560p as investors welcomed the information. They have fallen from 630p since news of the investigation broke. Earlier in the day, several influential analysts had recommended buying the shares, arguing that the share price fall was overdone.

## Overseas 'white knight' could rescue Argos

City analysts are divided over whether a "white knight" will ride to the rescue of Argos, the catalogue retailer battling against a hostile £1.6bn takeover bid from Great Universal Stores.

A long list of potential suitors included Kingfisher and a string of continental retailers such as Otto Versand and Quelle of Germany and La Redoute of France. "It is more likely to be an overseas operator looking to move into the UK," said Mark Josephson of Panmure Gordon. Among potential UK suitors,

Kingfisher is considered highly unlikely to enter the fray and Littlewoods is not thought to have sufficient funds.

"I regard a white knight as extremely unlikely," said John Richards of NatWest Securities. He pointed out that La Redoute had just made a big acquisition in office supplies in France, while Otto Versand is a private company that tends to be very wary of expensive deals. "No one else can offer quite the GUS capability on mail order," he said. Analysts suggest GUS may

need to raise its offer price by another 10 per cent from 570p to 620p-630p to be successful. But some institutional investors say the bid is far from a foregone conclusion.

One fund manager said: "I'd quite like to see it stay independent. It has been quite successful over the years." Another said Argos might have attractions to other bidders. Argos shares closed 5p lower yesterday at 625p. GUS shares edged 3p higher to 765p.

- Nigel Cople

## Monsoon valued at £350m ahead of flotation

Shares in Monsoon, the women's fashion retailer which is seeking a stock market listing, are expected to be priced at around 195p-200p today, valuing the company at £350m-£360m. Some analysts had suggested that recent volatility in the retail sector and pressure from institutions might force Monsoon's advisers to cut the price. But the rise in retail shares following the GUS bid for Argos has boosted sentiment. SO Securities has said the shares should be avoided above 150p due to concerns over store expansion. But the company says it already has new sites agreed up until May 1999.

## London rethinks gas plans

London Electricity is to abandon its joint venture with Total, the French oil group, in the domestic gas market. The company, called London Total Energy, is expected to be wound up within days, with London concentrating on selling gas to its existing electricity customers in the South-east. Some 9,000 customers signed up in the South-west in the first trial of domestic competition will have their contracts passed over to Northern Electric.

## German production up

Industrial production in Germany rose 0.6 per cent in December, with robust growth in manufacturing more than compensating for weakness in energy and mining. Construction expanded during the month but has been very volatile. Year-on-year growth of manufacturing output climbed to 5.8 from 5 per cent in November, confirming the health of the recovery.

## ECB monitor launched

A new initiative to scrutinise the European Central Bank after the start of the single currency is launched today by a group of experts from several European Union countries. The monitoring group is being established by the London-based Centre for Economic Policy Research.

## Merit-based pay on the rise

High-flying employees will continue to receive bigger salaries than most of their colleagues as individual performance-related pay increases, according to research published today by the Institute of Personnel and Development. The survey found 59 per cent of companies used merit rises and bonuses and other incentives and that fewer than one in 10 intended to drop such schemes within the next two years.

## FBS offers Barclays deal

Fidelity Brokerage Services UK (FBS-UK), the stock-broker firm, is to offer around 45,000 clients the opportunity to transfer their business to Barclays. FBS-UK, which is closing down, is writing to clients this week. But FBS-UK clients are under no obligation to switch their business to Barclays.

## SBC wins merger go-ahead

Shareholders of the Swiss Bank Corporation last night approved the bank's plans to merge with rival UBS. The link-up will lead to 13,000 job cuts world-wide, with around 3,000 in London. UBS shareholders approved the deal on Tuesday.

COMPANY RESULTS				
	Turnover £	Pre-tax £	EPS	Dividend
Capital Shopping (F)	150.8m (133.0m)	77.4m (88.4m)	15.3p (11.8p)	9.25p (8.25p)
Dalgety (F)	2.01m (2.18m)	34.8m (43.0m)	8.5p (9.3p)	6.0p (6.5p)
Samuel Whitbread (F)	31.87m (27.61m)	4.82m (4.8m)	10.1p (9.7p)	3.3p (2.8p)
Gardiner & Theobald (F)	98.07m (96.67m)	3.7m (4.37m)	2.19p (2.62p)	1.0p (0.85p)
Justinaire Interiors (F)	4.88m (1.75m)	-0.191m (0.074m)	-1.73p (0.44p)	
Nightfreight (F)	88.25m (81.22m)	3.02m (5.01m)	4.18p (6.7p)	1.8p (3.6p)
Seacorn Holdings (F)	18.78m (19.47m)	0.385m (0.858m)	1.31p (2.1p)	1.25p (2.2p)

(F) - Final (I) - Interim

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## Spotlight on Compass and Rentokil as blue chips pause for breath

## MARKET REPORT



DEREK PAIN

After seven days of takeover-inspired excitement, blue chips paused for breath although the search for the next corporate marauders continued unabated.

One possible Footsie marriage which is attracting some of the more alert stock market minds involves two aggressive groups - Compass, the contract caterer, and Rentokil, the environmental and property group.

Rentokil's last major deal was the controversial takeover of BET nearly two years ago. Compass has indulged in a string of more modest acquisitions. The two could make a splendid fit and it is thought Sir Clive Thompson, Rentokil's chief executive, is keen to spread into catering.

Capitalised at £8.5bn, Rentokil is by far the larger of the two companies and would probably be the vehicle for any merger. Compass is valued at £2.6bn. The shares of both are

near their peaks but eased with the rest of the stock market, Compass slipping 7p to 790p and Rentokil 0.75p to 296.75p.

Footsie's record-breaking run ended with a 17 points fall to 5,595.8. At one time it was off 42.2.

An uncertain New York and nagging worries that the Monetary Policy Committee could be tempted to lift interest rates today, as well as a little old-fashioned profit-taking after the recent surge, combined to take the edge off blue chips.

Much of the action was concentrated on second-liners with the Midcap index up 19.9 points to 4,935.8, just 8 from the peak hit in October. The Smallcap index rose 4.6 to 2,393.2, a new high.

Builders and engineers, for so long the great unloved, stole the limelight. On the back of the surprisingly encouraging Bryant results, Redrow gained 11.5p to 163p, Wilson (Connolly) 7p to

152.5p and Barratt Developments 8.5p to 257p. Crest Nicholson rose 10.5p to 106.5p.

Since it arrived nearly four years ago Redrow has been a disappointing investment. The shares were floated at 135p; their peak was 177.5p, reached last year.

Engineers again scored from the feeling that they have been overvalued on the back of Asia's problems and sterling's strength. Weir, 20p to 248.5p; Laird 22p to 412.5p; and Spirax-Sarco, 32p to 601p, led the field. But engineer Beaufort slumped 8p to 15p after warning profits would be hit by both the pound and the Asian upset.

Among blue chips Vodafone, 20.5p to 504p, enjoyed support on the now unstoppable story that more consolidation is coming in the telecoms industry, and on the still highly charged banking pitch National Westminster

Bank took up the running, gaining 46p to 1,145p.

Other banks caught in the swirling clouds of takeover rumours included Royal Bank of Scotland (31p to 935p), Barclays (48p to 1,948p) and Standard Chartered (12p to 687p).

Reuters, under pressure following a US investigation, recovered 40p to 560p and Pearson rose 13p to 807p on Greig Middleton comments.

Share Spotlight  
Redrow  
Share price, pence  
185  
175  
165  
155  
145  
135  
MAMJJASONDJF

Salomon Smith Barney gave EMI a spin, nudging the shares 4.5p higher to 466p.

Dalgety was the best performing midcap, improving 49.5p to 343p on the £715m pet foods sale and the £650m earmarked for shareholders.

Dresner Kleinwort Benson sees the shares going to 400p.

BSkyB, helped by its results, rose 7p to 368p. A tax-efficient bid and breakfast deal in 21.48 million shares went through at a shade above 333p.

British Airways climbed 5p to 540.5p with Salomon suggesting a 635p target.

Scottish & Newcastle, the nation's biggest brewer, rolled out a 12.5p rise to 827.5p after meeting analysts but indications that Bass may be outbid for the Japanese owned InterContinental hotels chain by Ladbroke knocked the shares 21p to 944p.

Ladbroke, still seemingly

ruffled by a share overhang, softened 25p to 940p.

The Camalot threesome were subdued with Cadbury Schweppes off 27p to 732p and De La Rue easing 2.5p to 359p.

Rascal Electronics held at 260p.

PSD, the recruitment group, rose 11.5p to 557.5p following a presentation at Killick. The stockbroker is forecasting profits of £8m for last year compared with £4.9m. For this year Killick suggests £9.5m, putting the shares on a prospective earnings multiple of 20.

TT, the conglomerate, moved ahead 21p to 271p.

DKB and ABN Amro Hoare Govett said buy.

Jumbo International, the old Self Sealing Systems, gained 2p to 24.5p, reflecting recent director buying, and Emerald Energy, seeking oil in Colombia, was busily traded, gaining 0.5p to 8.5p after what appeared to be an encouraging progress report.

Lambert Horwath, the footwear group supplying Marks & Spencer, edged ahead 2.5p to 230p, highest since 1994. Year's profits are due next month and the company has forecast a "significant increase". There are suggestions that earnings per share will emerge at around 40p.

Market Link Publishing should produce profits of £900,000 this year and £1.25m next, believes stockbroker Teather & Greenwood. The shares are 54.54p.

12 week	High	Low	Stock	Price	Chg	Yld	P/E	Div
Alcoholic Beverages								
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00

12 week	High	Low	Stock	Price	Chg	Yld	P/E	Div
Banks, Merchant								
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00

12 week	High	Low	Stock	Price	Chg	Yld	P/E	Div
Banks, Retail								
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00

12 week	High	Low	Stock	Price	Chg	Yld	P/E	Div
Beverages Pubs & Rest								
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00

12 week	High	Low	Stock	Price	Chg	Yld	P/E	Div
Building/Construction								
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00

12 week	High	Low	Stock	Price	Chg	Yld	P/E	Div
Building Materials								
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00

12 week	High	Low	Stock	Price	Chg	Yld	P/E	Div
Chemicals								
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00

12 week	High	Low	Stock	Price	Chg	Yld	P/E	Div
Engineering								
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00

12 week	High	Low	Stock	Price	Chg	Yld	P/E	Div
Engineering Vehicles								
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00

12 week	High	Low	Stock	Price	Chg	Yld	P/E	Div
Engineering Vehicles								
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
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200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00
200 200	100.00	95.00	200 200	100.00	-0.50	4.14	14.0	0.00

200	Abeyaratne	240.00	-0.00	17.7	100	349.00	10.00	1.00	1.33	48.00	16.00	22.00	10.11	12.00	10.00	10.00
94	Acc	100.00	-0.00	17.7	100	349.00	10.00	1.00	1.33	48.00	16.00	22.00	10.11	12.00	10.00	10.00
94	Acc	100.00	-0.00	17.7	100	349.00	10.00	1.00	1.33	48.00	16.00	22.00	10.11	12.00	10.00	10.00
22	Acad Credit	100.00	-0.00	17.7	100	349.00	10.00	1.00	1.33	48.00	16.00	22.00	10.11	12.00	10.00	10.00
22	Acad Credit	100.00	-0.00	17.7	100	349.00	10.00	1.00	1.33	48.00	16.00	22.00	10.11	12.00	10.00	10.00
22	Acad Credit	100.00	-0.00	17.7	100	349.00	10.00	1.00	1.33	48.00	16.00	22.00	10.11	12.00	10.00	10.00
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22	Acad Credit	100.00	-0.00	17.7	100	349.00	10.00	1.00	1.33	48.00	16.00	22.00	10.11	12.00		



## How long before the jobs market pulls the inflation trigger?



DIANE COYLE  
ON SIGNALS  
THAT ARE  
FLASHING RED

One of the thorniest questions facing the Bank of England's Monetary Policy Committee is it decides what to do about interest rates this morning is just how tight the labour market has become. To put it in plain English, are there so few people available for jobs that employers want to fill that wages are going to start climbing faster? If so, it will be a pretty good sign that the monetary brakes need to be applied to the economy again.

This always seems insanely hawkish to anybody who looks around them and sees that there are still many unemployed people and so much poverty, but the real problem in economic policy is not how to expand demand for employees - that's easy. The trouble is that expanding the economy when the people without work cannot do the jobs on offer - because they do not have the skills or they live in the wrong part of the country - will trigger inflation. As we know from bitter experience in Britain, this harms long-term growth and productivity and penalises low earners and small savers. Matching the people to the jobs is a precondition for running the economy at lower interest rates.

Even though unemployment is still higher than in 1979, there are real fears that the five-plus

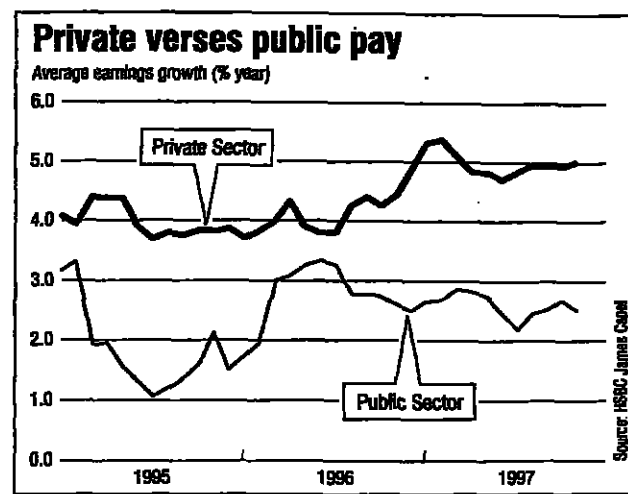
years of growth since the depths of the recession have soaked up the supply of labour that is both available and suitable.

Start with the anecdotal evidence. One JobCentre in Milton Keynes has acquired fame by announcing that it has three jobs for every person on its register seeking work. Throughout the South-east - which is, unfortunately, where the jobs are being created for the most part - it is plain that employers are having to fill low-paid jobs for cleaners and staff in fast-food joints with foreign students and immigrants.

Earlier this week a new survey of the construction industry by the Chartered Institute of Purchasing and Supply reported shortages of almost every type of building worker imaginable, from brickies to the most skilled electricians. Other surveys have reported skill shortages - that is, workers shortages - in other industries from information technology to retailing.

Anecdotal evidence is not enough, however. What about the statistics? They have shown a modest pick-up in earnings growth as unemployment has declined. But most economists have been surprised and cheered by the fact that the fall in unemployment has been so great for so little acceleration in pay. In the 12 months to December the number of unemployed benefit claimants declined by about 470,000 - a jobless rate of just 5 per cent, or below what many experts would have considered to be "full" employment. Meanwhile, underlying average earnings growth climbed from 4.5 per cent in November 1996 to 4.7 per cent a year later.

Unfortunately both indicators are very flawed as measures of the tightness of the labour market, as the Office for National Statistics (ONS) has indicated by its announcement earlier this week of improvements to the published statistics starting in April. The claimant



count measure of unemployment has been distorted - or fiddled, if you prefer - by at least 10 changes to the benefit rules since 1979, all except one tending to reduce the headline jobless total. An alternative measure of unemployment is available, based on the Labour Force Survey rather than figures collected from benefit offices, which conforms to the international definition of unemployment as the number of people seeking work and available to work within the next two weeks.

The two measures - the claimant count and the LFS measure - generally move in the same direction. When unemployment is high they are close together. When it falls they move apart, reflecting the fact that the drop in the LFS total is limited by the number of discouraged or marginal workers who start looking for work again during good times. The gap is now 500,000, about as high as it has ever been since the survey began.

Although a less distorted measure has been available, commentators have always focused on the claimant count. It is monthly, while the survey is published quarterly, and it is more up to date. In future the ONS will publish a rolling three-month average of unemploy-

ment as measured by the survey, so although it will still lag behind it will provide new and more reliable information about how many people are finding work - or joining or withdrawing from the workforce - each month.

The statisticians are also improving their presentation of the earnings figures. In the past they have based each month's "underlying average earnings" on a three-month average of the past two actual figures and an estimate for next month. This bizarre method is to be replaced by a rolling three-month average, which will simply smooth out volatile fluctuations in actual pay growth. This will mean fewer revisions, so each new figure gives a better guide to inflationary pressure in the jobs market.

The latest figures showed underlying earnings growth picking up to 4.7 per cent, driven by both the booming service sector and the subdued manufacturing sector. This rate is at the border of what the Bank of England has said it thinks to be consistent with meeting the inflation target.

The Monetary Policy Committee has, therefore, probably spent some time discussing whether the increase in earnings

growth reported last month will be sustained or even accelerate further. A worrying light is shed on this question if private and public sector pay are distinguished. The pay bill freeze in the public sector means growth in earnings is holding down the overall average. Private sector pay growth has climbed well past 5 per cent, according to City economists who calculate them separately. From April, the ONS will itself publish rates for private and public sectors separately.

What this means is that the mini-miracle that some spy in the recent performance of the UK jobs market - falling unemployment for almost no cost in terms of higher wage inflation - is at least partly a sleight of the statistical hand. The figures that have been put under the monthly spotlight in the past have exaggerated the favourable split between jobs and pay. More important, they have hidden the fact that the good news is the result of a public sector incomes policy. That affects some 6 million out of 22 million employees in Britain.

Little wonder that Gordon Brown, the Chancellor of the Exchequer, and other ministers have been exhorting us all to restrain ourselves in demanding pay rises for the sake of the long-term health of the economy. The silent incomes policy will not be sustainable if private sector pay pulls ever further ahead of public sector wages. The improved ONS figures will make the chasm plain to see from April.

As for the Bank's decision today, burrowing into the labour market figures suggests that out of all the available inflation indicators they are flashing the most insistently red. Upgrading the skills and aptitudes of the 1.9 million unemployed in order to move the metaphorical traffic lights much further back is a bigger task which does not impinge on today's interest rate decision.

## PEOPLE & BUSINESS

JOHN WILLCOCK



William Hague, the august leader of the Opposition, works out regularly at a gym in Dolphin Square in Piccadilly, so I am informed by a local resident.

Originally, Mr Hague was to be seen first thing in the morning wearing a grey singlet, revealing his "puny shoulders", with his then-girlfriend Ffion "trailing two steps behind him", according to my spy.

Now that he's spiced, Mr Hague has taken to wearing a T-shirt which covers up his musculature in the gym rather more effectively. And Ffion walks two steps in front.

Whatever can it all mean?

Even the most lucrative of mega-mergers can have their inconvenient side effects, as Brian Cahill has found to his cost.

Mr Cahill is director of group legal services at Glaxo Wellcome, and as such was due to address a high-powered conference for the drugs industry in Brussels this Friday.

He was to have used the occasion, organised by City law firm Beachcroft Stanleys, to enlighten the audience as to the benefits of a single market for European pharmaceuticals.

Now the proposed £100bn merger with SmithKline Beecham has given Mr Cahill something rather more immediate to worry about. So he's pulled out.

The opening thus created has been filled by arch-rivals Zeneca, who have parachuted their director of government and economic affairs, Dr Jim Attridge, in to give the Brussels speech in Mr Cahill's place. It's an ill wind...

You've all heard of the Nigel Lawson diet, which enabled our former Chancellor to shrink from a blimp to a greyhound, albeit a rather wrinkle one; now welcome the Collin Sharmarman diet.

Mr Sharmarman, international chairman of accountants KPMG, revealed the secret of his shrinkage yesterday at a press conference to discuss KPMG's snail-like progress past the European competition authorities, as it seeks permission to merge with fellow bean-counting levitation Ernst & Young.

Mr Sharmarman said he had lost one and a half stones since the merger plans were announced last May. The merger means he must commute weekly to the US and elsewhere to co-ordinate talks with the rest of the firm around the globe.

He said the only way he could handle all the transatlantic flying and resultant jet lag was by abstaining from all artificial stimulants, such as alcohol and coffee. He now practically lives on camomile tea, he said.

Doesn't complete abstinence seem a harsh price to pay, even for a merger? "It's for a limited period only," Mr Sharmarman replied, saying he would be able to quaff ales and shurf coffee to his heart's content once the merger went through.

This is pretty important, bearing in mind Mr Sharmarman owns his own vineyard, at his farm in Sussex. "As I said, it's a temporary gesture," the newly-svelte auditor concluded.

To the Savoy on Tuesday night, for an evening of gambling on the gee-gees in aid of the charity Action on Addiction.

The sparkling event, attended by the great and the good, was organised by the wife of Ian Strachan, boss of BTR.

Most of the evening was spent betting on old horse races shown on a large screen, while at the end there was an auction for various items like an afternoon in a box at Ascot. The evening raised £66,000 in total.

Spotted amongst the throng was David Telling, chairman of Mite Group, the support services company.

Also spotted was Gerry Robinson of Granada, who did not stick his hand up at any point in the auction.

This was probably pretty smart of him, considering Mr Robinson was due to attend Granada's agm yesterday, where he faced stiff questioning from institutional shareholders about the pay-off he and other directors pocketed in return for reducing their severance pay entitlements.

ICN Pharmaceuticals, a giant American drug group with five businesses in Russia, has just elected Andrei V. Kozmyev, former minister for foreign affairs of Russia in 1990-96, to its board of directors. Mr Kozmyev played a key role in the new foreign policy following perestroika, and he opposed the coup of 1991. At that point Boris Yeltsin sent him to Paris to set up a democratic Russian government in exile in case the coup succeeded.

At least ICN will know who to send in to deal with any recalcitrant shareholders...

### Foreign Exchange Rates

	Sterling			Dollar			D-Mark
Country	Spot	1 month	3 month	Spot	1 month	3 month	
UK	10000			08003	06042	05092	0.3356
Australia	24336	24338	24275	14000	14704	14711	0.0785
Canada	21011	20340	20307	12677	12674	12670	70917
France	81047	81047	81047	14722	14684	14684	0.0785
Germany	23898	23898	23843	14722	14684	14450	0.0785
Italy	13547	13547	13547	14722	14684	14684	0.0785
ECU	12943	15074	15030	10946	10856	10979	0.0785
Finland	90470	85789	85428	54363	54367	54367	0.3073
Japan	8056	8056	8087	10946	10856	10979	0.0785
Greenland	29796	29796	29812	1977	17947	17888	10000
Germany	47289	47285	48357	28538	28738	28306	10000
South Korea	10000	10000	10000	13980	13980	13980	0.0785
United Kingdom	10000	10000	10000	13980	13980	13980	0.0785
Italy	10000	10000	10000	13980	13980	13980	0.0785
Japan	29458	29458	29458	12367	12316	12211	88783
Japan	20497	20498	20148	12367	12316	12211	88783
Malaysia	65794	65642	65791	39653	39669	39848	1.2028
Netherlands	33661	33656	33331	20306	20262	20200	22957
Netherlands	28181	28181	28181	19878	19878	19878	0.0785
New Zealand	10000	10000	10000	14722	14684	14684	0.0785
Portugal	10000	10000	10000	14722	14684	14684	0.0785
Norway	10000	10000	10000	14722	14684	14684	0.0785
Sweden	10000	10000	10000	14722	14684	14684	0.0785
Singapore	27848	27848	27840	10850	10825	10800	0.0785
South Africa	15491	15491	15491	49165	49167	50270	27300
Spain	10000	10000	10000	14722	14684	14684	0.0785
Sweden	13220	13222	13221	80395	80305	80767	0.0785
Switzerland	10000	10000	10000	14722	14684	14684	0.0785
US	16875						0.0785

### Other Spot Rates

Country	Sterling	Dollar	Country	Sterling	Dollar
Argentina	1.0000	1.0000	China	1.0000	1.0000
Brazil	1.0000	1.0000	France	1.0000	1.0000
Canada	1.0000	1.0000	Germany	1.0000	1.0000
USA	1.0000	1.0000	Italy	1.0000	1.0000

### Interest Rates

UK	Germany	US	Japan
Base 7.25%	Discount 2.50%	Prime 8.50%	Discount 0.50%
France 3.00%	Canada 4.50%	Fed Funds 5.44%	Discount 2.75%
Intervention 3.00%	Prime 6.00%	10-1 Repo 4.78%	Discount 0.00%
Discount 5.50%	Discount 5.00%	Swiss 4.35%	Lombard 3.15%
Overnight 3.00%	Discount 3.50%	Repo/Avg	

### Bond Yields

Country	3m	1yr	2yr	5yr	10yr
Australia	4.00	4.00	4.00	4.00	4.00
Canada	4.00	4.00	4.00	4.00	4.00
France	4.00	4.00	4.00	4.00	4.00
Germany	4.00	4.00	4.00	4.00	4.00
Italy	4.00	4.00	4.00	4.00	4.00
Japan	4.00	4.00	4.00	4.00	4.00
UK	4.00	4.00	4.00	4.00	4.00

### Life Financial Futures

Contract	Settlement	High	Low	Est floor	Open
Long Gilt	Mar-98	122.54	122.54	122.54	122.54
German Bund	Mar-98	108.26	108.26	108.26	108.26
US Long Bond	Mar-98	108.26	108.26	108.26	108.26
Japan Govt Bd	Mar-98	108.26	108.26	108.26	108.26

### Energy

Contract	Settlement	High	Low	Est floor	Open
Brent Crude	Mar-98	122.54	122.54	122.54	122.54
WTI Crude	Mar-98	108.26	108.26	108.26	108.26
Gas	Mar-98	108.26	108.26	108.26	108.26

### Industrial Metals

Commodity	Price	Commodity	Price
Aluminum	1.0000	Steel	1.0000
Copper	1.0000	Lead	1.0000
Gold	1.0000	Nickel	1.0000
Iron Ore	1.0000	Platinum	1.0000

### Precious Metals

Commodity	Price	Commodity	Price
Gold	1.0000	Silver	1.0000
Palladium	1.0000	Platinum	1.0000

### Latest Unit Trust Prices

Fund	Price	Fund	Price	Fund	Price	Fund	Price
ABN Growth Trust Ltd	1.0000	ABN Growth Trust Ltd	1.0000	ABN Growth Trust Ltd	1.0000	ABN Growth Trust Ltd	1.0000
ABN Growth Trust Ltd	1.0000	ABN Growth Trust Ltd	1.0000	ABN Growth Trust Ltd	1.0000	ABN Growth Trust Ltd	1.0000
ABN Growth Trust Ltd	1.0000	ABN Growth Trust Ltd	1.0000	ABN Growth Trust Ltd	1.0000	ABN Growth Trust Ltd	1.0000

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## Ambrose casts shadow as Atherton ponders tactics

The pitch again presents Michael Atherton with a conundrum as the England captain prepares for the second Test against West Indies, which starts today.  
Derek Pingle reports from Port of Spain, Trinidad.

Calypso is the singing journalism of Trinidad and as topical as any newspaper. With the next two Tests about to be played back to back on Brian Lara's home turf, the lyrics all predict defeat for England. Carnival may be the spectacle Port of Spain is famous for, but for the moment cricket is the hot topic and in the music shops that line Prince and Frederick Street, the rhymes were about Michael Atherton's team "getting a good kickin' on a pitch that will be kickin'".

They may not be far wrong, either. After the fiasco at Sabina Park, the 22-yard strip where the essential business of the game is conducted, has been under the kind of scrutiny normally reserved for flesh-eating bugs. But if Sabina, with its cracks and corrugations was obviously substandard, this one, well covered with lush green grass, is also raising a few eyebrows.

When grass is left on Test pitches it is usually dead and rolled well into the surface. Here it is live and although the pitch will receive another mowing before play starts this morning, it will still do more than a passable imitation of the verdant Trent Bridge carpet that Richard Hadlee and Clive Rice reigned supreme on in 1981, when Nottinghamshire won the County Championship.



Running men: England's Jack Russell (left) and Alec Stewart prepare for the start of today's Test match with a class of Trinidadian schoolchildren in Port of Spain yesterday

Photograph: David Ashdown

Normally, the captain winning the toss would not hesitate to bowl first. However, that decision will be compounded by the groundsman's action of covering the pitch during the day, a practice normally used to keep moisture in the surface. England did the same thing last summer in order to try to negate Shane Warne. But although England have no one of his calibre, lack of recent rain has clearly made the authorities nervous of the pitch's durability.

All of which suggests that both the amount of grass as well as the covering to keep the sun off, are designed to bind it together. If

the game goes the distance, the side batting last will not want to chase more than 150.

For that reason, winning the toss could be a poison chalice. If you insert the opposition and do not bowl them out for under 180, any advantage will be turned on its head if the pitch starts to break up, which is what mostly tends to happen in the Caribbean.

It is this uncertainty that is preventing the England captain from replacing Phil Tufnell with Ashley Cowan immediately. However, the Essex paceman will surely play alongside Caddick. Fraser and Headley should Atherton decide that England's

best chances lie in bowling first - which, if the pitch is not given a close shave this morning, they ought to do.

If the surface presents a tricky dilemma, there must be concerns too about England's lack of preparation. Amazingly, the tourists are into their second month on tour, and so far only 13 players have been to the middle. For cricketers used to playing almost every day at home, such inactivity is disorientating and frustrating, and many are clearly still feeling their way.

"It's true that we've been here without playing much meaningful cricket," said Atherton, at yesterday's press conference. With one false start already, the main problem has been to keep focused and Atherton admitted: "Everyone was itching to get the series started."

The same could be said of Lara, his opposite number, captaining the West Indies for the first time in front of his home crowd. "It is very special and significant to play with your home crowd behind you, especially with the series still level," he said. "I'll definitely be looking to produce something special with my bat and with the captaincy."

With Jack Russell, barring any last-minute stomach upsets, set to win his 50th Test cap and bolster the middle order, John Crawley will return to the No 3 role briefly occupied by Mark Butcher in Kingston. On current form, Crawley has yet to look settled. It is the one obvious weakness England have, and one that may expose them should they have to bat first.

England have not won here since Tony Greig's off-spinners bowled them to victory 24 years ago. Since then, batsmen have always had to work hard for their runs at the Queen's Park Oval and the effectiveness of England's top order will surely be compromised by the fact that this

is one of Curtly Ambrose's favourites grounds.

Four years ago, England began the final innings of the game needing 194, and were slight favourites to win. At the end of the day's play 15 overs later, England were 40 for 8, laid to waste by the beanpole Antiguan, who bowled one of the heroic spells of all time, as England, eventually all out for 46, succeeded in avoiding their lowest Test score of all time by just two runs.

It was a spell that began with the removal of Atherton first ball. He may not be a street poet like the great calypsonians downtown, but in the sounding-off that

often accompanies Test matches, Ambrose, usually a secretive man, is being ominously chatty about his duels with the England captain.

"England need a foundation and that often comes from Atherton. If you can knock the chief down, it might make the job a bit tougher for those to come."

When asked why he tended to bowl well at the Queen's Park Oval, he lapsed back into reticence, saying: "I won't be taking anything for granted. You have to prove yourself day in and day out." On this grassy pitch, England will not be unhappy if he decides to delay it a few days.

### RUGBY UNION: FIVE NATIONS' CHAMPIONSHIP

## Frozen France go for pace and verve

The French are having trouble with a frozen pitch, but not with team selection. The radical changes made to their side for Saturday's Five Nations' opener look certain to make things hot for England.  
Chris Hewett and John Lichfield report from Paris.

You might call it a multi-million franc coo-up. The Stade de France was under cover yesterday as claret-cheeked Parisians armed with 12 British industrial blowers worked around the clock to thaw its frozen surface in time for Saturday's Five Nations confrontation with the English.

By dusk, the pitch was still more suited to the triple salkow and double lutz than the eight-man shove, but hope springs eternal among the harassed Tricolours.

Stadium officials insisted that the kindly weather forecast for the next 36 hours or so made an embarrassing postponement increasingly unlikely, but their optimism did not stop Bernard Lapasset, the president of the French rugby federation, stamping his *haut couture* footwear in fury at the lack of precautions taken against a cold snap everyone knew was coming.

"I'm divided between anger and derision," he said, adding that the French coaches might consider putting an ice-skater on the bench, just in case.

"We're not looking to microwave the pitch... We'll be cooking it really slowly over the next 24 to 28 hours," said Nigel Felton of Sportstadium Services, the British firm brought in to rescue the game.

Success, however, may not mean that the French can rest easy. Stadium officials have admitted that there is a risk that the warming of the pitch, followed by 80 minutes of international rugby, will force the delicate turf to be replaced, at a cost of £1m.

Since the relaying could not begin until the spring, there would be a risk that the playing surface would not be in peak condition for the opening match of football's World Cup between Scotland and Brazil on 10 June.

If England are anticipating a frosty reception from 80,000 Frenchmen on Saturday, it will be nowhere near as chilly as the one awaiting David McHugh. The Irish referee was called to duty yesterday when Derek Bevan of Wales, the original choice, failed a fitness test on an injured ankle.

Given that McHugh was the touchjudge who controversially flagged Yvan Manhes, the Brive second row, for obstruction in the dying seconds of last weekend's

Heineken Cup final and thus presented Bath with the trophy, he can expect to have his parentage questioned from the moment he touches down in Paris.

Not that Jean-Claude Skrela and his fellow French coaches are wasting too much thought on whatever foibles and peculiarities McHugh may bring to the equation. They believe their new team - newer even than the Stade de France, which is precisely one football international old - has the pace, verve and Gallic brio to register a fourth successive victory over Les Rois.

Skrela has made eight changes to the side thoroughly humiliated by a pie-hot Springbok outfit at the Parc des Princes in November and even though only Christophe Dominici, the Stade Francais left wing whose spectacular progress has made him the talk of the French domestic campaign, will be winning a first cap, there is a freshness to the line-up that has set a few alarm bells ringing on this side of the Channel.

"In a sense, the nature of the South African victory has rebounded on us," Clive Woodward, the England coach, said yesterday. "They have torn everything up, started again and picked a side that is bound to be a handful for us. It has youth, it has pace. In many ways, it is my kind of team."

Three tortured and tormented members of the de-

feated Brive side have been selected, although Philippe Carboneau very nearly lost out to Fabien Galthie at scrum-half and Christophe Lemaillon, whose goal-kicking nerve crumbled so spectacularly during injury time in Bordeaux, needed to pass the sporting equivalent of a psychiatric test before convincing the selectors of his emotional well-being.

But the most striking aspect of the side is to be found in the back five of the scrum, where both locks and the entire breakdown combination have played serious rugby at No 8, the thinking player's position. Thomas Livremont of Perpignan has been given the rover's role, even though his single cap as a replacement against Wales two years ago makes him the least experienced internationalist of the quintet.

However, the emphasis is on intelligence, mobility and quality handling and if England fail to match the French in the wide areas of the field, they may find themselves in a whole lot of trouble.

FRANCE (v England, Stade de France, Saturday): J. L. Sautour (Colomiers); P. Carboneau (Brive), C. Lemaillon (Brive), S. Gles (Bordeaux), C. Dominici (Stade Francais); T. Castaignède (Castres), P. Carboneau (Brive), C. Galtier (Toulouse), P. Bessis (Clermont), P. Tournadre (Toulon); P. Pelous (Toulon), O. Bonnaud (Stade Francais), P. Bessis (Agen), O. Magne (Brive), T. Livremont (USAP), R. Laporte (Stade Francais), D. Aurégan (Stade Francais), M. Lemerle (Stade Francais), T. Cluze (Stade Francais), M. Dailly (Agen).

Scottish rugby is on its knees and the Irish are waiting to push their faces further in the mud in Dublin on Saturday. Jim Telfer has had a week to rally his bravehearts and, as George O'Sullivan reports, if anyone can reverse the decline, the new-style 'Great Man' can.



Telfer: 'It is the standard of performance that matters'

club in Scotland, will be a particularly vital factor in the outcome of Saturday's game which will see Scotland seek what would be only their third win in 13 internationals.

As John Roxburgh, who, until his retirement this season as the Scottish Rugby Union's technical director was effectively Telfer's No 2, said this week: "The Scottish team have lost the ability to win. It's nothing new - the same thing happened in the 70's - and Scotland came out of the tunnel then. If anybody can turn things around this time it is Jim Telfer."

"But I really hope the management get the balance right because in addition to losing the winning habit some of the players are looking tired."

"Jim will be the first to admit that in his early coaching career he was not good at knowing when to stop. There is a balance between flogging the players and having them up mentally. The guys have got to have a spark left in them."

The point will not have been lost on Telfer. However, his players were still late for the launch of television commercial, having been delayed putting fin-

ishing touches to their preparations at Murrayfield.

The new coach knows he has taken on a tremendous responsibility and a team on its knees. "I've done nothing else than think about it," he said. "It's a strange situation. I'm not looking forward to it greatly at all."

"I do look forward to the challenge, but there is an abyss in front of us at the moment, something similar to the situations that the Lions have been in I suppose. You don't expect to do well. Then things happen and you wait and see. That's the challenge of top-class rugby."

Telfer, the son of a shepherd who as a youngster learned to play using pig's bladders as rugby balls and went on to win 25 Scotland caps, warned to his theme.

"I've reminded the players that every match they play is a piece of history. It's recorded in a book," he said. "If they play a club match nobody bothers with the result really. If they play a district match it's the same."

"The fact that internationals are remembered is the challenge. You are judged on the day. You can look back and they'll never erase whatever the result was against South Africa or Australia."

As for Scotland's tactics against the Irish, Telfer, often portrayed as dour in his approach, again showed a refreshing willingness to embrace the new era where rugby is entertainment.

"The players must be positive," he said. "To a coach, winning is important. But it is the standard of performance that is important."

"If you put in a good standard you give yourself a chance of a win. If you just go for victory, you can drop short."

### TENNIS

## Rampant Rusedski on march

Greg Rusedski, the No 1 seed in the Croatian Indoor Championship in Split, pounded his way into the second round yesterday.

After defeating the Italian Gianluca Pozzi 6-3, 6-4 in 58 minutes, Rusedski, who has dropped from sixth to eighth in the world rankings, said: "The court here is a bit quicker than in Zagreb where the tournament was held last year but that will suit my game and gives my serve that little extra zip."

Certainly Rusedski, despite five double-faults, served with great zest and allowed Pozzi, a 32-year-old fellow left hander, only one break point in the match. Pozzi, the oldest man in the tournament, was meeting the 24-year-old Rusedski for the first time and could make little of his opponent's first or second service which he repeatedly returned into the net when he could get his racket to the ball.

Rusedski, in contrast, broke Pozzi in the sixth game of the first set for a 4-2 lead, taking it 6-3 in 26 minutes. Then, after missing four break points in the third game of the second set, Rusedski broke through again in the seventh game to go up 4-3. Rusedski then held his next two service games for victory, winning the final game with a flourish, hitting two service winners and two aces to give Pozzi no chance of recovery.

Rusedski, who reached the final of this event last year, will now meet Jan Krosnak, of Slovakia, in the second round. They have only met once before when Rusedski beat his opponent 6-3, 7-6 in the second round of the Japan Open in Tokyo in 1995.

### TODAY'S NUMBER

750

The number of pounds that Leicester City's Garry Parker was fined by the FA yesterday for foul and abusive language to a referee - an offence committed while the former Nottingham Forest and Aston Villa midfielder was running the line during the Morris Oxford Sunday League game between Cherwell Lions and Cowley Cosmos.

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Resort	Comment	Area open	Last snow	Low	Up	Forecast
ANDORRA						
Grand Tour	Fresh powdery snow	100%	22	60	80	Fine
AUSTRIA						
Pinzberg	Fresh snow but well groomed	100%	22	80	80	Sunny pm
BULGARIA						
Borovets	Firm packed snow all levels	100%	12	40	75	Pt cloudy
CANADA						
Lake Louise	Good skiing on dry packed snow	100%	12	90	200	Bright
FRANCE						
Anglet	Mainly hard packed	90%	20	45	75	Cool, sunny
ITALY						
Cortina	Good conditions throughout	100%	20	60	80	Clear but cold
ROMANIA						
Sinaia	Wide cover of snow on all runs	80%	22	20	45	Cloudy
SPAIN						
Serra Nevada	Strong wind affecting uplift	85%	32	30	60	Snow showers
SWEDEN						
Safer	Fresh snow on surface	90%	12	70	75	Light snow
SWITZERLAND						
Zermatt	Good skiing upper mountain	95%	21	50	80	Sunny
UNITED STATES						
Aspen	Firm packed powder snow	85%	32	45	60	Pt cloudy/snow

Snow Reports supplied by Ski Hotline

## Brittle fuels elite feud

Cliff Brittle, the chairman of the Rugby Football Union, has escalated the feud between Twickenham and the leading clubs by outlawing the proposed Anglo-French competition.

England's elite clubs have rejected the European Cup in a dispute over the scheduling of fixtures and want to set up their own Anglo-French tournament. Brittle, in a joint statement with Bernard Lapasset, the French federation president, said: "The RFU and the FFR have agreed that they will not support any Anglo-French competition which is outside the organisation of European Rugby Cup Ltd."

Peter Wheeler, spokesman for England's top 12 clubs, said: "Our decision remains unchanged. The clubs have no confidence in ERC."

Inevitably the new-style Telfer, who has also found time to make Melrose the premier

Moseley, seventh in Allied Dunbar Premiership Two, have become the most prominent victims of the new professional era by going into financial administration. The Birmingham-based club, one of the oldest in England, may also take the step of letting their players go semi-professional in order to survive.

"We're doing the only thing possible to make sure we have a long-term future at Moseley," Moseley's commercial manag-

er, Mike Sheasby, said. "The bottom line is our income is nowhere near where our expenditure is. I don't think there is any doubt we will last the season and there's no doubt creditors will be paid."

"But it may mean we must go into a semi-professional situation by finding jobs for our players to suit their qualifications either inside the club or in outside business."

Leicester's director of coaching, Bob Dwyer, yesterday

denied he is about to leave the club, but hinted he may go if he is unable to bring success.

Speculation mounted that Dwyer and the Tigers would part company after he admitted he was "disillusioned" following Leicester's defeat at Gloucester on Sunday which effectively ended their hopes of winning the Allied Dunbar Premiership.

"I get disappointed like everyone else. But time enables you to concentrate on the more positive aspects," he said.







## Angry Tyson 'down to last few millions' as King attempts to heal the rift



Tyson: Feels betrayed by King and is seeking to break his contracts with the promoter

Whatever happens in the end, the falling-out between Mike Tyson and Don King is consuming the world of boxing. John Carlin and Ken Jones report on a day of claim and counter-claim.

Mike Tyson, once the richest sportsman in history, is struggling to pay his bills, according to a report in yesterday's *New York Post*. The former heavyweight boxing champion owes \$7m (£4.3m) in unpaid taxes and is down to only \$4m in ready cash, the *Post* said, adding that one source who has been in close contact with Tyson over

the past week claims his liquid assets actually amount to no more than \$150,000.

Tyson, who has earned about \$110m in the ring since his release from prison three years ago, is reported to blame his financial embarrassments on his boxing promoter of the last 10 years, Don King, and his co-managers, John Horne and Rory Holloway.

According to numerous reports Tyson, feeling cruelly betrayed, wants to break his contracts with King and his co-managers and is seeking to switch his allegiance to the Los Angeles music entrepreneurs Irvine Azof and Jerry Wald, who have links with Michael Jackson. King having apparently failed him in the role of protector and surrogate father, Tyson is said

to be seeking to form a partnership with Magic Johnson, the retired basketball star.

Confirming that tensions do indeed exist in Tyson's relationships with his associates, Horne and Holloway issued a joint statement saying, "there is sometimes a frustration and misunderstanding that can occur in the best of friendships and business relationships, and that's how we categorise this."

In a separate statement, Don King said: "I love Mike and he knows it, but there are often outside forces and individuals that will try to capitalise on Mike's frustration that comes from his lay-off as a result of the suspension."

King's enduring love seems generous in the light of the widely reported beating he received from Tyson outside the Bel Air Hotel in Los Angeles on Saturday night. According to various sources close to Tyson he is more frustrated with King than he is with the decision of the Nevada State Athletic Commission to ban him from boxing for a year for biting a chunk out of Evander Holyfield's ear in the ring last summer. People who have spent time with Tyson over the past few days say the fighter's moods have range from angry to near inconsolable.

The matter of dumping King is a bit more complicated. Sources say Tyson, while enraged at King, is reluctant to release any information that might jeopardise the promoter's chance at an acquittal when he is retried by the government for mail fraud starting on 17 March.

Instead, Tyson is expected to use the documentation of King's alleged rip-offs as leverage to obtain a release from his promotional deal, which commits Tyson to fight four more times for King. "Mike's totally embarrassed by what Don did to him," a source is quoted as saying. "But he doesn't want to do anything that could make him responsible for Don going to jail."

Tyson is said to have been appalled to discover that King and his co-managers had been creaming off a far larger share of his winnings than is customary in a relationship between a professional boxer and his handlers. A lawyer for a rival boxing promoter, called by Tyson for outside advice, told the *Post* it was "embarrassing" to learn how little the boxer knew about his financial affairs. The lawyer said he was shocked to learn from Tyson that he took home only \$11m before tax from the \$30m purse for his re-match against Evander Holyfield in June. King, the lawyer said, took 30 per cent, Horne and Holloway took 20 per cent and then Tyson coughed up the \$3.5m fine imposed on him for his bad eating habits by the Nevada Commission.

Tyson's suspension, depriving him as it did of six months' work, cost him his place at the top of *Forbes* magazine's 1997 list of the world's highest paid athletes. It may be that Tyson fears a repeat of what happened in his "first" career, when he saw a \$75m fortune depleted to the point that, while he was still in prison, his managers were forced to cash in a \$2m trust to pay Alan Dershowitz, Tyson's appellate lawyer.

The Nevada commission will be deciding this summer whether to reinstate Tyson's boxing licence, but he is now seeking to make his money in the field of entertainment. Tyson is expected to announce today that he will be appearing next month at a professional wrestling bout in Boston. He is due to receive \$3.5m for playing the role of "guest referee" at *Wrestlemania XIV*, a pay-per-view event, on 29 March.

However, even if Tyson is low in cash he does own three lavish homes, including a 70-acre estate in Ohio, the sale of which would go some way to restoring his bank balance to health.

### FOOTBALL

## Positive news after bad year for Rozental

Rangers' Chilean striker Sebastian Rozental pronounced himself well satisfied after coming through his first competitive 90 minutes for a year.

Rozental had been ruled out for the past 12 months with a persistent knee problem but returned for Rangers reserves at Ibrox in a 3-0 win over their St Johnstone counterparts on Tuesday. He said: "I felt very comfortable although my body was sore at the end. My knee felt fine and it will get better. I just have to be patient."

"I want to start playing for Rangers regularly as I aim to be in France for this World Cup this summer - I'm hoping for a much better year than last."

The Rangers manager, Walter Smith, added: "The main thing is he got through unscathed and now he must keep building his sharpness and confidence."

Rozental is part of the Chilean squad which will face England in the Wembley friendly next Wednesday. Also in the squad is the River Plate striker Marcelo Salas, a recent transfer target for Manchester United, who is negotiating a move to Lazio of Italy. However, the Internazionale forward Ivan Zamorano is unlikely to play, even though he has been named in the squad. He suffered a muscle injury in a Serie

A fixture against Brescia last Sunday and may be out for at least a fortnight.

Hibernian's director of development, Billy McNeill, yesterday warned the players who cost Jim Duffy his job as manager that time is running out to prove their value.

McNeill, the former Celtic captain and manager, has taken temporary charge at Easter Road and is ready to select the side for Saturday's trip to Aberdeen if required. That will depend on whether the chairman, Lex Gold, can attract one of his targets to the club this week, but the newcomer faces an unenviable challenge.

McNeill is firmly out of the running and whether he remains in the position he took up just last month after seven years out of the game will be decided by Duffy's successor.

McNeill hopes the vacancy can be filled swiftly as he knows, with Hibernian four points adrift at the bottom of the Scottish Premier Division table and a mere 13 games remaining, there is a need for a mood of greater urgency.

Gold's shortlist is understood to include the Newcastle coach Tommy Burns, another former Celtic manager, and the St Johnstone manager, Paul Sturrock.

— Simon Buckland



Blanket coverage: British field technician Nigel Felton takes a brush to the covered pitch at the Stade de France in Paris yesterday. The frozen turf threatens Saturday's opening Five Nations' Championship match between France and England

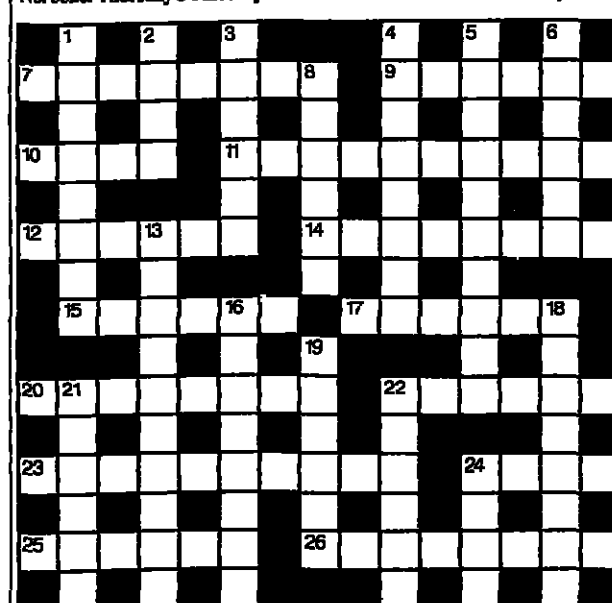
Report, page 26; Photograph: Laurent Rebours/AP

### THE INDEPENDENT CROSSWORD

No. 3526, Thursday 5 February

By Mass

Wednesday's solution



#### ACROSS

- 7 Catch fish on river - the kind to evoke cheer (8)
- 9 Cold area, not Southern part of Europe (6)
- 10 Bet on race one lost (4)
- 11 West despaired, played badly in international (10)
- 12 Melt and submit (6)
- 14 Sally's packing Henry's clothes (8)
- 15 Approach Seychelles and stay (6)
- 17 Sensitivity in female judge (6)
- 20 Horses for courses? (8)
- 22 Gross state, undisguised (6)

#### DOWN

- 23 Softly softly (10)
- 24 Trap King in game (4)
- 25 So crowds arrive, mostly tipsy (4,2)
- 26 Pins loose ratines (8)
- 1 Rubbishy (unlike Kent?) around East (8)
- 2 Pale - some vitamin lacking (4)
- 3 Blast the telephone! (6)
- 4 Adipose carbon recycled to make viewing projector (8)
- 5 Hat brother gets crumpled in crush (5-5)
- 6 Stretch or time, the European's inside (6)

MAENAD SHINGLES  
J P S G O E U C  
SAINT PAUL WORTH  
Y O I Z D F E O  
RHEA GETUP AND GO  
UR A S P L U C I  
SEMIPRO SLIGHTS  
Y I O L R S  
ACACIA OBELISK  
S A L P O F F  
PRODIGAL COWL  
A Z V S I U C I  
WHOO BOOMERANG  
N N S R N E L H  
SNEETAL OFFSET

### CRICKET

## All eyes on Trinidad pitch

With the second Test against England due to start here in Trinidad today, the pitch debate in the Caribbean refuses to die down. Pat Rousseau, the president of the West Indies Cricket Board, has called for a change in the rules to prevent the premature abandonment of Test matches in the future.

Following the swift curtailment of the first Test because of the dangerous pitch in Kingston, Rousseau, a Jamaican lawyer, is insisting that such decisions should not be made by the umpires alone. "We have to go to the ICC [International Cricket Council] and set up procedures," he said, no doubt fearing for the pitch in Antigua, which is currently being relaid despite the fact that the final Test is less than seven weeks away.

"We need some kind of consultation process that allows input from others involved in the game. After all, the effects of an abandoned game are far-reaching."

It is a valid point, but if the WICB were hoping for the whole episode to die down, the well-grassed pitch scheduled for the second Test here has merely refocused the cricket media's attention.

However, while pundits were pontificating and predicting another shortened Test match, the opposing captains, Brian Lara and Michael Atherton, were playing a game of wait and see. With the pitch due to be cut again this morning, neither would commit themselves to naming an XI.

"It looks fairly well grassed and an even surface," Atherton said. "Sabina Park was a one-

off. I've played in the Caribbean before and the pitches have been absolutely fine. Of course I'm considering putting them in if I do win the toss, but much will depend on what the pitch looks like in the morning."

Lara, perhaps mindful of the dreadful pitch Australia had to play on here three years ago, was rather more forthright about his home ground's pitch.

"I don't think it will be a good idea to bat on it," he said after yesterday's team practice. "Both teams will have to be very cautious for the first session or two. There has been less time to prepare than normal, but I know the groundstaff will have done their best to produce a good wicket."

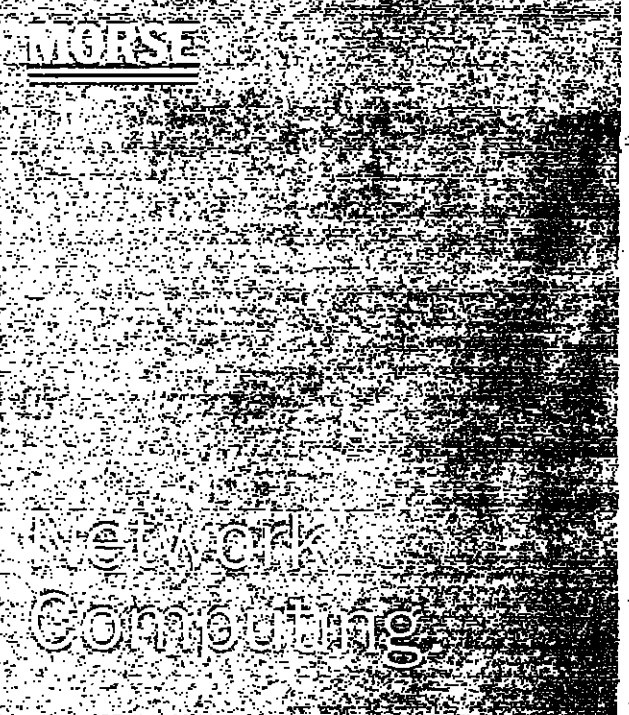
Just how good will be revealed over the next few days.

— Derek Pringle, *Port of Spain Shadow of Armbrose*, page 26



How green is my wicket: A groundsman at the Queen's Park Oval prepares the strip for the today's start of second Test in Trinidad

Photograph: David Ashdown



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